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ANNIHILATION DRIVE IN CHEKIANG SECTOR GOING ON SMOOTHLY

Campaign Launched Against Eight Divisions of Chungking Troops

MT. KINHWA OCCUPIED

In Lanchi Region, Japanese Units Completely Crush Enemy Forces

Domei

JAPANESE BASE IN CHEKIANG PROVINCE, May 26.—The Japanese Forces operating in Chekiang Province now are carrying out a large-scale annihilation campaign against the Chungking troops of about seven or eight divisions on hills northeast of Kinhwa and Lanchi, the enemy's important strongholds in Chekiang Province.

These enemy troops attempted to escape from Kinhwa and Lanchi at dawn today.

A Japanese Unit blockaded the eastern side of the walled town of Kinhwa, at dawn today while pressing from the east the retreating enemy troops comprising five or six divisions at heights northeast of the town.

Another Japanese Unit made an onslaught against the enemy taking to Mt. Kinhwa, northeast of Kinhwa, and completely occupied the mountain at 3:30 p.m. today. It then seized the 200-meter hill and the 250-meter hill on the right side of the mountain to cut off the enemy's retreat from the north.

Another Japanese Unit, pressing the enemy in Kinhwa in left flank, has cut off the enemy's retreat from the west. Thus, the Japanese Forces have formed a steel cordon of encirclement extending eight kilometers from east to west and four kilometers from south to north against the enemy troops of about 20,000 strong in Kinhwa.

In the Lanchi sector, a Japanese Unit, having crushed the enemy troops at a hill eight kilometers north of Lanchi at dawn today, advanced into another height situated four kilometers north of Lanchi. The same unit made a northward drive in the afternoon and is pressing the enemy troops of two divisions on a height east of Lanchi.

In cooperation with another unit, which also has stormed up the height east of Lanchi, it has completed half way encirclement extending more than 10 kilometers from east and west against the enemy.

SHANGHAI CHINESE SEEK TRADE OF SOUTH SEAS

Development Concern Organized Among Merchants—Initial Meeting Held

Domei

SHANGHAI, May 26.—Reflecting the earnest desire for trade from the Southern Regions among Chinese merchants here, the Southern Regions Trade Development Company was organized and its inaugural meeting held here yesterday.

The new company, capitalized at 5,000,000 yuan, was established by influential Chinese traders here connected with the Southern Regions, it was said.

The new company, it was learned, intends to double its present capital in the near future.

KANTO STUDENT BOAT RACE

Toda Course to Be Scene of 22nd Event June 6, 7

The 22nd Kanto student boat race tourney will be held on June 6 and 7 on the Toda Race Course in Saitama Prefecture as the first event of the Japan Student Physical Promotion Association since its inauguration.

Races will include eights, fours with cox, and sculls, with the first day set aside for the first heat and the second day for semi-finals and finals.

SUBSIDY TO PEASANTS

To Equalize Living Costs of Rural And City People

Special

OSLO, May 26.—The Norwegian Government has decided to grant subsidies to Norwegian peasants to the sum of 34,000,000 crowns in order to reduce the difference in the standard of living between city and country people, it is announced.

The money required will be raised by special taxes on non-essential goods. There will be a 30 per cent tax on alcoholic beverages. 20 per cent on tobacco and 10 per cent on electric bulbs,

His Majesty the Emperor Opens Diet; Imperial Message Graciously Granted

His Majesty the Emperor was pleased to express satisfaction over the success of the Imperial Expeditionary Forces in His Majesty's speech from the Throne granted on Wednesday in opening the 80th extraordinary session of the Imperial Diet.

The Imperial speech reads as follows: "In conducting the opening ceremony of the Imperial Diet session We herewith request each member of both the House of Peers and the House of Representatives to take notice.

"Our Expeditionary Forces enhanced national dignity at home and abroad by smashing enemy forces everywhere and reducing their strongholds, while the ties with Our Allies and friendly Powers have been growingly tightened. We are deeply satisfied with this.

"We in confidence of the bravery and loyalty of Our subjects expect speedy achievements of the objective of the war.

"We have thereby ordered the Ministers of State to submit to the Imperial Diet session budget and other legislative bills urgently necessary in connection with the current situation. We expect you in full unison and concord to fulfil the duties of helping the conduct of State Affairs in pursuance of Our wishes."

Pledging to make every possible effort for achievement of the lofty objectives of the war, the House of Representatives' plenary session Wednesday afternoon approved its reply to the Imperial Message granted earlier at the opening ceremony of the 80th extraordinary session of the Imperial Diet.

The draft reply reads:

"We, Your subjects, are greatly impressed by the Imperial Message granted by His Majesty the Emperor in opening personally the 80th extraordinary session of the Imperial Diet. The Imperial Forces have enhanced the nation's dignity by gaining a series of brilliant victories. This is naturally due to the Imperial Virtues. Herewith, we, Your subjects, in response to the Imperial wish, pledge ourselves to render every possible effort toward achievement of the objectives of the war by fully observing the spirit of loyalty to the Throne. In view of the gravity of the prevalent situation, we, Your subjects, in complete unison, will fulfil our duty of deliberating upon the important bills before the Diet; and in doing so we shall endeavor to respond to the Imperial wish reposed in us and also to answer the expectations of the people who have entrusted us with that task."

NAZI-SOVIET BATTLE IS AT HIGHEST PITCH

Russian Forces Suffer Severe Setbacks in Southern Kharkov Sector

COUNTER-DRIVE FAILS

Hungarian and Rumanian Troops Hamper Strategic Soviet Movement

Domei

BERLIN, May 26.—Severe setbacks, one after another, have been dealt to Soviet attempts yesterday to break eastward through the tight German encirclement as the battle of annihilation of Soviet troops by the German army in the southern Kharkov sector now has reached its highest pitch, the High Command announced today.

Meanwhile, German forces effectively repulsed Soviet counter-attacks in the northeastern areas of the Kharkov sector, the communique added.

Three Soviet divisions in southern Kharkov, including an engineering corps have been surrounded by German forces, according to a High Command communique issued here on Monday.

Meantime, it stated that German troops on the Central Front, have occupied more than 50 Soviet villages.

Sunday night, the Luftwaffe carried out raids against British naval bases in southern England.

Battle in Full Swing

D.N.B.

FUEHRER'S HEADQUARTERS, May 26.—The official war communique states that the battle of Kharkov is in full swing.

The Russians now encircled attempted yesterday to break through to the East but all their attempts were frustrated.

At the same time, German, Hungarian and Rumanian forces advancing from the southwest and the north considerably hampered the enemy's strategic movements. Massive enemy formations are constantly being under attack by strong Stuka formations of the Luftwaffe. Several Soviet attacks northeast of Kharkov have been repulsed.

In the central sector, further territorial gains were scored by attacking German formations.

Last night, German bombers operating between Iceland and the North Cape attacked a heavily escorted enemy convoy sinking a merchantman of 8,000 tons and damaging five other vessels.

Meanwhile, Stuka formations operating in North Africa bombed military establishments of Tobruk.

Great Loyalist Honored

The 11th celebration in memory of the great loyalist, Masashige Kusunoki, was held at the Aoyama Jissen Girls High School on Monday, under the auspices of the Tokyo Nanko Kai. Various members connected with the Nanko Kai were present, including middle and national school students. Chairman Prince Kuniyuki Tokugawa acted as master of ceremonies. Lieutenant General Yasakichi delivered a lecture on the wife of Kusunoki.

194th City Is Created

The Home Ministry announced on Wednesday that a new city Kitami would be established in the Hokkaido on June 10, replacing Notsukeushi machi, according to Domei. As a result, the total number of cities in Japan will be 194 after that date.

SURABAYA OBSERVES BIG NAVY DAY FETE

Citizens Join Officers and Men In Gala Functions and Ceremonies

OPERATIONS NOW AT END

Complete Control of Small Sunda Islands Now Gained By Japanese

Domei

SURABAYA, May 27.—While Surabaya citizens rose to the stirring strains of the Navy March broadcast over the radio to mark Japan's 37th Navy Day today, officers and men aboard each Japanese man-of-war riding at anchor in the harbor heralded the auspicious occasion with ceremonies cherishing their naval traditions and simultaneously pledged their supreme efforts for the Japanese Empire.

Wrestling and fencing tournaments were held in the afternoon between members of various Naval Units. Picked teams from the Army Expeditionary Forces stationed at Surabaya also participated in spirited bouts.

Operations Concluded

Domei

SURABAYA, May 26.—With all the Small Sunda Islands now placed under Japanese control, Japanese operations in the Netherlands East Indies have been successfully concluded, stated a certain Japanese commander on the occasion of the completion of the occupation of the Small Sunda Islands.

The Small Sunda Islands, located between Java and Timor Islands, had not yet been landed on by Japanese Forces, and great difficulties had been felt in the communications while the Dutch regime remained in existence, not mitigating their oppression upon the inhabitants, said the commander.

Celebrations in South

Domei

SHONAN CITY, May 27.—Today, on the occasion of Navy Day, celebrating the Japanese victory in the Battle of Japan Sea, 37 years ago, various photographs of the invincible Japanese Navy are being exhibited on the busy streets of the city.

A Navy band staged a march through the streets at 10:30 a.m. today, greatly impressing the citizens.

Lectures and other programs in commemoration of Navy Day were also held from 3:00 p.m. at the Shonan Theater.

Navy Day in Manila was celebrated by the Japanese Naval Forces in the Philippine waters from 9 a.m. aboard each Japanese warship in the Manila Bay.

All the local papers issued special editions in celebration of the occasion while, the Manila Broadcasting Station went on the air with a special program.

Various programs were also staged by Japanese women residents in the city to comfort Japanese officers and men.

Nanking Celebrates

Domei

NANKING, May 27.—The Japanese Navy Unit in Nanking today observed Navy Day. In the afternoon exhibition of aquatic blasting practices was performed on the Yangtze River and prominent Japanese and Chinese figures were invited to the Naval Headquarters.

UNSHAKABLE STAND OF JAPAN'S FINANCE EXPLAINED BY KAYA

Money Rates Are Stable as Never Before, Says Finance Minister

ADDRESSES LOWER HOUSE

Paints Bright Picture of Nation's Efforts Behind The Guns

A picture of the unshakable foundations of the nation's finance behind the guns was painted by Okinori Kaya, the Finance Minister, in his speech in the House of Representatives Wednesday.

Pointing to the steady expansion of Japan's finance since the start of the War of Greater East Asia, Mr. Kaya declared that money rates are as stable as never before.

The substance of the Finance Ministers speech follows:

"I will begin by with an explanation of the supplementary budget for the 1942-43 fiscal year.

"The budget which will be supplemental to the budget of expenditures in the general account totals over ¥12,800,000. There is provision for a measure of planned shipbuilding which is designed to insure the building of a number of standard type merchant vessels which are absolutely necessary to meet the urgent needs of the current situation and another for the adjustment and extension of the educational facilities for seamen.

"The expenditures will all be met with surplus revenue which is expected to arise in the process of the execution of the main 1942-43 budget.

"There has been a steady expansion in Japanese finance since the start of the War of Greater East Asia. The increase is phenomenal compared with the period during which the China Affair was on. The increase is 10 times as large as the expansion which was witnessed prior to the China Affair.

Few Tax Delinquencies

"Large increases in taxes, have repeatedly been effected. Notwithstanding, there are few tax delinquencies. There have been increased bond issues. But they were all absorbed satisfactorily, further evidence of the unshakable foundations of finance behind the uns.

"There is a heavy dispersal of funds; the demand for funds is on the increase. This, however has not caused any distrubance in financial circles. The return of the funds dispersed is smooth. On the other hand, there is a steady accumulation of savings. As for the distribution of funds, the process is quite in order.

"With regard to general commodity prices, they do not fluctuate as also prices of securities. Money rates are stable as never before.

"In circles which are interested in production and transportation, successful efforts are made to bring about a structure which will enable the people to perform the function of meeting the needs of the fighting services. It is heartening that economic and financial circles are tranquil and that the people are getting into an attitude of mind which will insure that economically, too, the country will prevail over its foes. This is remarkable, remembering the fact that the country discarded the policy of reliance on America and Britain upon the outbreak of the War of Greater East Asia.

Basic Policy Re-Iterated

"The basic principle of the Government's economic policy is that of bringing the war to a victorious conclusion and of establishing on a firm basis the Greater East Asia Co-Prosperity Sphere as a means of contributing toward the construction of a new world financial order. In order to make this principle prevail, it will be necessary to make a full display of the power of not only

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TOJO SAYS WAR ECONOMY PERFECTED; JAPAN'S IDEAL TO BUILD NEW ORDER RE-ITERATED BY FOREIGN CHIEF TOGO

Relations With Soviets Unchanged Since War Outbreak

STRESSES AXIS PACT

South American Nations Still Hesitating to Support United States

THAI AMITY EMPHASIZED

Japan is fighting to realize the great ideal of constructing a new world order and to emancipate East Asia from the yoke of exploitation by the United States and Great Britain, Foreign Minister Shigenori Togo Wednesday afternoon declared in an address given before the 80th extraordinary session of the Imperial Diet.

The Japanese Forces are proving ever victorious and "East Asia is now in a position to give full play to its original aspect, emancipated from the aggression and exploitation of America and Britain," he said. The Foreign Minister added, "The foundation for the construction of the sphere of common prosperity has now been firmly established throughout Greater East Asia."

Japan's Stand Recognized

Japan's moral principle, he said, is fully recognized and deeply appreciated by all the countries and peoples in East Asia as has been manifested by their attitude of vigorous and voluntary cooperation with Japan while the "din of the battle has hardly subsided."

Discussing Japan's attitude toward India, he emphasized, "As repeatedly affirmed, Japan harbors no hostility toward India's four hundred millions. We cannot bear to see even a single drop of Indian blood being shed for satisfying the limitless greed of the British Empire which is now on the verge of collapse."

The Foreign Minister reminded the Diet that immediately after the outbreak of the War of Greater East Asia, Germany and Italy pledged their immutable resolve to march jointly toward the construction of a new world order and not to put down their arms until and unless their joint war against America and Britain is brought to a successful conclusion.

Referring to Japan's relations with Central and South American countries he said that although some of these countries had severed diplomatic relations or declared war on Japan and its allies, most of the Central and South American Countries still are hesitating to extend positive cooperation to the United States.

"The relations between Japan and the Soviet Union have undergone no change even after the outbreak of the War of Greater East Asia," Foreign Minister Togo declared. The Soviet Union has quite recently reaffirmed that it intends to regulate its relations with Japan by the Neutrality Pact. "With the progress of the war the enemy countries will, I presume, intensify their insidious maneuvers to alienate Japan and the Soviet Union, but there is no chance for such intrigues to bear fruit so long as the Soviet Union

(Continued on Page 2)

Lower House Votes Thanks Resolution To Officers and Men of Army and Navy

The House of Representatives at its plenary session on Wednesday, unanimously passed a resolution of sincere thanks to the Army and Navy and also expressed profound condolence to the spirits of the war dead. Prior to its introduction Kiyoshi Akita, representing the Lower House, explained the reason for submitting the resolution.

The substance of the resolution follows:

"In the six months period since the Imperial Rescript declaring war against the United States and Britain was promulgated, our brave and loyal Imperial Army and Navy Forces have achieved successive great victories, smashing, everywhere, the enemy strategic points and often annihilating their fleets.

"Recently, the Imperial Forces captured Bataan Peninsula and the Corregidor stronghold, and the Imperial Navy defeated a powerful enemy combined fleet in the Coral Sea battle, thereby overthrowing all enemy bases for aggression in East Asia.

"Now, the Imperial Army Forces have subjugated Burma and have entered Yunnan Province, placing Chungking's fate entirely under their control. Imperial Forces also have advanced on the Burma-Indian border regions, causing a great shock to India as well as greatly menacing Australia.

"On the continent, Imperial Forces are exerting their utmost to establish peace and order by annihilating enemy remnants.

"Thanks to the brave action of the Imperial Forces in their operations on land, sea and in the air, extending over tens of thousands of miles, the foundation for East Asian stability has been firmly established.

"These successive great victories, unprecedented in world history and greatly enhancing the national prestige, have been achieved by our brave and loyal officers and men under the August Virtues of His Majesty the Emperor.

"The entire nation, greatly rejoiced and inspired by these great victories, is determined to do its best for the completion of the object of the Holy War with the unshakable conviction to win.

"The entire House of Representatives, by the decision of the Diet, hereby expresses its sincere and hearty thanks to the Army and Navy officers and men for their great services rendered, and the House of Representatives also expresses its profound condolences to the glorious departed spirits of officers and men."

SHIMADA TELLS DIET NAVY ALWAYS ALERT

Avers Large-Scale Operations Being Conducted in Indian And Pacific Oceans

DESCRIBES ENCOUNTERS

Asserts Main Force of Allied Combined Fleet Crushed in Coral Sea Engagement

Navy Minister Admiral Shigetaro Shimada, in his review of naval operations since the last session of the Imperial Diet in March, told both Houses of the Diet Wednesday afternoon that the Imperial Navy is staging large-scale operations in all directions of the Pacific and Indian Oceans "with the firm determination to crush the enemy forces."

The Navy Minister described as the most significant among the naval activities since the middle of March the operations staged in the Indian Ocean, the Philippine Islands, the victorious battles in the East Indies and in the direction of Australia.

Big Shock to Enemy

Regarding the Battle of the Coral Sea, Admiral Shimada said the main force of the Allied Combined Fleet in Australian waters was crushed to the great shock of not only the people of Australia but also of Britain and the United States.

The Navy Minister said the war situation is now developing greatly to Japan's advantage but he warned "we should not, even for a moment, be off our guard." In this connection, he assured the Diet that the officers and men of the Imperial Navy "are in high spirits and have unflinching faith in our final victory, defying all difficulties and obstacles that may yet come.

"I take this opportunity to review the naval operations launched since I last offered explanations of the naval war situation in the preceding session of the Imperial Diet.

"In the naval operations staged up to the middle of March since the outbreak of the War of Greater East Asia, practically all the key strategic points of the enemy in the Southwestern Pacific fell into Japanese hands, which, coupled with the annihilation of the enemy sea power and air force in the same area, placed Japan in a very advantageous position for the future conduct of the war of East Asia.

"On the basis of this most advantageous position, the Imperial Japanese Navy has, since then, launched and is staging active large-scale operations with the firm determination to crush the enemy forces, with the result that the combat zone has been greatly expanded, and our Naval Units are now displaying their activities in all direction of the Pacific and Indian Oceans.

"The most significant among the naval activities are the operations staged in the Indian Ocean, the Philippine Islands, the victorious battles in the East Indies and the strategy staged in the direction of Australia, and on this occasion I

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WAR HEAD REVIEWS BRILLIANT RESULTS

Three Stages of Army's Achievements Since Burma Campaign Outlined

SAYS WAR ARENA VAST

Successful Reconstruction Work in Occupied Territories Emphasized

Reviewing the achievements of the Japanese Army from the middle of March up to the present time, General Hideki Tojo, in his capacity as War Minister, gave a detailed report to both Houses of the Diet today, re-iterating the brilliant results of the Japanese Forces in the War of Greater East Asia, and pointing out that the activities of the Army have progressed in three stages.

The first achievement of the Army, General Tojo stated, is the successful campaign in Burma; the second, the large-scale offensive to annihilate remnant forces in the whole area of war activities, and the third, the reconstruction work in the occupied territories.

General Tojo's speech, translated in full, follows:

"Regarding the Japanese offensive in Burma, I would like, first of all, to point out a few significant details which will help you to visualize the vastness of the operations.

Like Aomori to Kyoto

"The total area of Burma covers about 600,000 square-kilometers, and amounts to about 90 per cent of the whole of the Japanese Empire. The railway from Rangoon to Myitkyina, which is the northern terminus of the line, is about 1,200 kilometers long and corresponds to the distance from Aomori to Kyoto.

"Within this vast area, British troops, Indian forces and Burmese soldiers compelled by the British to resist the Japanese as well as two Chinese Armies composed of six divisions of Chiang Kai-shek's troops put up strong defense against the Japanese Forces.

"Despite this heavy resistance, our powerful units have, within about two months after the fall of Rangoon, completely smashed all enemy resistance in cooperation with the Navy and have crossed the frontier into Yunnan Province, putting the enemy into consternation.

"In regard to the speed with which this onslaught was carried out, let me cite the rapidity with which the particular unit which occupied Myitkyina advanced through enemy-infested Burma. This unit advanced from Rangoon to Myitkyina at an average speed of 26 kilometers a day, fighting and overcoming steep and difficult terrain as well as conquering the terrific heat and the scorched earth tactics of the enemy. Moreover, we cannot overlook the hardships encountered by these forces due to the lack of pure water in these regions.

"Now, let me give a few details on the various battles which took place in this campaign.

"On March 26, our forces occupied Toungoo which is located di-

(Continued on Page 3)

Premier Renews Hope Indians Will Rise for Independence

REMINDS AUSTRALIANS

Says Australia Isolated as Result Coral Sea Battle; Chungking Aid Severed

DEFENSE IN NORTH SECURE

Premier General Hideki Tojo assured both Houses of the Imperial Diet Wednesday afternoon, in the course of his stirring administrative address, that the basis of self-supplying productive economy of the Japanese Empire had been perfectly consolidated and its wartime economy further strengthened to ensure complete replenishment of supplies depleted by the progress of the War of Greater East Asia.

The Premier pointed out that by virtue of the magnificent victories of the Imperial Forces since the opening of the War of Greater East Asia, all the important resources for national defense in the southern regions, such as oil, rubber, tin and others, had fallen into Japanese hands. These, combined with the resources of Japan, Manchoukuo and China, have made possible the consolidation of Japan's self-supplying productive economy, he explained.

Big Blow to Enemy

The situation, on the other hand, has so developed as to cut off the supplies of essential defense resources to the enemy countries, and "the blow being dealt to them thereby is very heavy, indeed!", the Premier added.

Regarding foreign relations, Premier Tojo renewed his hope that the Indian people "will rise with an intrepid spirit, expel the Anglo-American forces as well as their influence completely from India and thereby realize the independence of their Fatherland." He said as long as there remain Anglo-American military forces in India, "Japan is determined inflexibly to crush them thoroughly."

Asserting that Australia is isolated and defenseless as a result of the Coral Sea Battle, Premier Tojo said he desired to remind the leaders of Australia "that they will ponder what I had previously stated in this House, perceiving the international situation and considering Australia's geographical environments, and then courageously and speedily decide upon her most important step."

With the subjection of the enemy forces in Burma, Premier Tojo asserted that the Chungking regime had finally become isolated and "it is now plodding its way down to its inevitable fall."

"In the North, the security of our defense is as solid as the rock," the Premier assured the two Houses.

The text of the Prime Minister's speech before the Lower House follows:

"We are profoundly moved by the gracious Imperial Rescript granted at the opening ceremony today. Together with you gentlemen, I intend, in obedience to His August Will, to devote sincere efforts to a successful attainment of the purpose of the present war.

"I am very glad to express frankly at this opportunity the conviction of the Government to you, the members of the House of Representatives, the composition of which has been renewed as the result of the earnest desire of the entire nation.

"In a brief time, less than a half year, since the outbreak of the War of Greater East Asia, the Imperial Forces have crushed enemy forces wherever they went, with the important areas in Greater East Asia having been occupied by our forces, and the naval forces of the United States and Britain have been virtually exterminated in the Pacific and the Indian Oceans.

Unprecedented Honor

"In the meantime, the Imperial Rescript has been granted as often as eight times in gracious appreciation of these victories. It is really unprecedented that we have been successively bestowed with this supreme honor and our national prestige has been so greatly enhanced throughout the world. Furthermore, along with the continuous victories which are unparalleled in the world, new constructive undertakings are in progress in all areas on a grand scale and the object of the War of

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Foreign News Spotlight

Exclusive Flashes

FORDE FORECASTS A GLOOMY OUTLOOK

LISBON, May 27.—Speaking before the Royal Empire Society in Sydney last night, Francis M. Forde, Australian Army Minister, declared that Australia has entered into the beginning of a decisive stage of war, adding: "We may be pinched and starved, shocked and blasted and may even be chased away from our homes, but we must nevertheless hang on."

SLACK SEEN IN AMERICAN PRODUCTION FIELD

LISBON, May 26.—Stressing that the Allied nations are up against very smart enemies, Donald Nelson, America's production chief, warned the people that the production must be speeded up urgently in order to cope with the situation.

AMERICANS WARNED AGAINST FALSE OPTIMISM

STOCKHOLM, May 27.—Senator Wadmann today warned the people of Washington against false and unwarranted optimism, adding that the war will call for a lot of effort and sacrifice on the part of the Americans,

TOJO STATES WARTIME ECONOMY OF JAPAN IS NOW CONSOLIDATED

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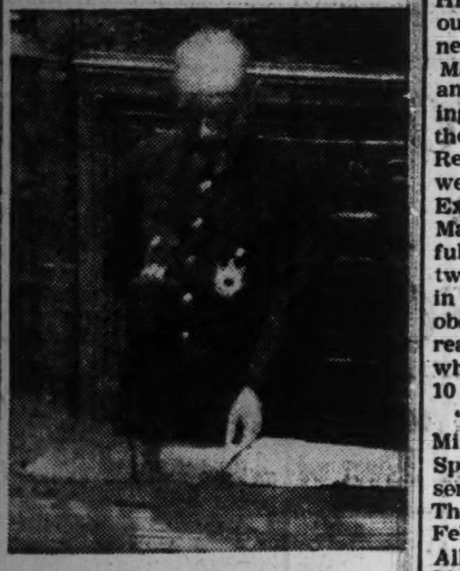

Premier General Tojo

Greater East Asia is thus being steadily accomplished.

In conjunction with military operations in the South Seas region, the activities of the Imperial Forces in China are steadily diminishing the power of the Chungking forces. In the North, the security of our defense is as solid as the rock. This indeed is due to the August Virtue of His Imperial Majesty under which the Imperial Forces are carrying out splendid tactics and energetic operations.

"I wish to express together with our entire nation our sincere gratitude to all the officers and men, and, at the same time, to tender our profound homage to the spirits of many brave and loyal officers and men who have laid down their lives for the country.

"It is a matter for our mutual congratulation that the peoples of Greater East Asia who have hitherto suffered under the shackles of the United States and Britain have now been embraced in the great spirit of Hakko Ichiu, have reverted to their original and proper state and have made a step forward, sharing with us the task of establishing a new world order.

Home Defense Strengthened

"In perfect coordination with these signal accomplishments of our expeditionary forces, the various establishments for our home defense have been increasingly replenished and strengthened. At the same time the patriotic spirit of the one hundred million of our people has been enhanced day by day, their indomitable will and determination to fight through the War of Greater East Asia to a successful conclusion being concretely manifested in their simple and virile everyday life—a fact profoundly inspiring to all of us.

"However, the present favorable situation both at home and abroad means but a prelude to an ultimate victory in the prosecution of the war. The fact that the decision of victory or defeat of our war against the United States and Britain lies in the outcome of total war to be waged hereafter requires no explanation. I firmly believe that, since the opening of the war when the Imperial Rescript declaring the war was granted, it has been and will remain the inflexible determination of our entire nation never to sheathe the sword of righteousness unless and until the influence of the Anglo-American Powers, with their dream of dominating the world, has been completely uprooted.

"The cardinal principle, therefore, of guiding the war prosecution hereafter will be, on the one hand, to demonstrate further the superb coordinated operations of the Army and the Navy, which are now the wonder of the world, and unfailingly crush the enemy by seeking him out, thereby bringing more and more victories in addition to those already achieved in the opening stage of the war, and, on the other hand, to undertake, in conjunction with such large-scale and vigorous military operations, grand constructive enterprises in order to realize a radical enhancement of our national total strength, thereby reinforcing further our country's position for sure victory.

"For this purpose, the Japanese Government, with an inflexible faith and determination, stand always at the forefront of the nation and are exerting their utmost efforts to perfect thoroughgoing preparations and at the same time boldly carrying out various plans in accordance with the internal and external situations, and thus intend to fulfil their heavy responsibilities of assisting the Throne and to meet the people's trust. It was in this spirit that the Government recently dared, in the midst of progress of the war, to request the Throne to order a general election to be held.

Election Turning Point

"With the recent general election as a turning point, the surging tide of patriotic enthusiasm of the people developed into an all-engulfing trend directed toward the complete prosecution of the war as well as the firm establishment of a political structure for assisting Imperial Rule. This trend pervaded all corners of the country. These spontaneous political desires and aspirations of the entire nation have ultimately found their concrete expression in the organization of the Yokusan Seiji-kai or the Imperial Rule Assistance Political Association. Thus an organization embodying a new and vigorous political influence has been consummated fulfilling many years' aspirations of the whole nation—a source of profound congratulation for the sake of our Empire.

"In response to such enthusiasm of the people, the Government decided that all kinds of people's movements be brought as far as possible under the guidance of the Taisei Yokusan-kai, or the Imperial Rule Assistance Association, in order that they may attain healthy development through earnest and spontaneous efforts of the people themselves and that the Taisei Yokusan-kai may, in conformity with its increased missions, renovate its functions and reinvigorate its spirit and thus go forward as a central organ of all national movements for the assistance of Imperial Rule and fulfilment of duties of the people to the Throne.

"In consideration of this, the Government are endeavoring to simplify and intensify the affairs of various administrative organs so that surplus personnel may be diverted toward the replenishment of those who are actively engaged in various fields all over the region of Greater East Asia.

"It is, indeed, a matter for our gratification that our country's internal structure has thus been perfected for the march of the entire one hundred million people whose morale has steadily been heightened, rendering it possible for the Government and people to go forward in perfect battle array to crush the United States and Britain.

"Now, I wish to take this occasion to speak briefly about the economic strength of our Empire. Japan's economy has hitherto strongly tended to depend upon the United States and Britain as the result of which we have constantly been restrained and menaced by those Powers. Early realizing this situation, the Government decided after the outbreak of the China Affair to devote their utmost efforts to remedy the defective points in our country's economy and to secure a self-sufficing position with regard to important defense materials.

Economic Pressure Counteracted

"They have, therefore, endeavored to carry on the hostilities in China on the one hand, and to replenish essential defense materials by formulating a four-year plan on the other. As the results of these efforts our economic strength had grown to such an extent by the time immediately preceding the present war that the country was able not only to counteract the Anglo-American pressure, but to enter ultimately into the War of Greater East Asia. Such a development is certainly the result of the toil and moil of every one of our nation, for whose assiduous efforts I wish to take this opportunity to express the deep appreciation of the Government.

"By virtue of the magnificent victories of the Imperial Forces since the opening of the War of Greater East Asia, all the important resources for national defense in the regions of the South, such as oil, rubber, tin and others, have come into our hands, and the independent and self-sufficing position of our national economy has been further strengthened due, also, to our previous efforts. In other words, with the combined resources of Japan, Manchoukuo and China and those of the South Seas, the basis of self-supplying productive economy of our Empire has been perfectly consolidated and our wartime economy further strengthened so that we can completely replenish the supplies depleted by consumption accompanying the progress of armed combat.

"At the same time, our plan of expanding fighting strength has been placed on an immutable foundation. The future of our Empire's economy is thus full of promise. Moreover, the situation has so developed as to cut off the supplies of essential national defense resources to the enemy countries and the blow being dealt to them thereby is very heavy, indeed.

"In conformity with the new situation above described, the Government, with a view to augmenting speedily our power of prosecuting the war by giving full play to the comprehensive economic strength of all areas of Greater East Asia, have made definite plans for materials mobilization as well as productive expansion for the current year and, with these plans as a nucleus, they have formulated various schemes concerning transportation, labor services, exchange of goods and capital, etc., adopting meanwhile all necessary measures for the realization of these plans.

To Utilize Resources

"In view of the absolute importance to the prosecution of the total war of assuring the stability of our people's livelihood, especially food supplies, the Government expect to leave no stone unturned in utilizing the resources of the whole of Greater East Asia, taking into consideration at the same time the economic requirements of the various peoples inhabiting this region. Beginning with this year, therefore, they have established a new mobilization plan of goods concerning the necessities of life, for the realization of which they are receiving a wholehearted cooperation from the fighting services.

"Due to the essential character of wartime economy, the plan in part may entail for the time being some inconveniences and deficiencies which are really unavoidable. But I am very glad to be able to declare that, when it is considered from a broader point of view, there is no cause whatever for any apprehension regarding the people's livelihood in the future, however long the war may last.

"Now, I wish to say a few words concerning our foreign relations. It is greatly encouraging that Japan, Manchoukuo, China and Thailand, sharing the same view of the purpose of the present war, are growing steadily more cordial in their mutual relations. On the 10th anniversary of the founding of Manchoukuo, a short time ago, the Special Ambassador of Gratitude, His Excellency Chang Ching-hui, paid a visit to our country in obedience to the profound desires of the Emperor of Manchoukuo and having presented an Imperial Message to the Throne, he conveyed to our Government and people the expression of sincere gratitude of Manchoukuo toward our country. His Imperial Majesty was so gracious as to send His Imperial Highness Prince Nobuhito Takamatsu to Manchoukuo to felicitate the 10th anniversary of that country's founding. Furthermore, the President of the National Government of the Republic of China, Mr. Wang Ching-wei, in his capacity as the Chief Executive of that country, visited Manchoukuo contributing powerfully toward a closer friendship between Manchoukuo and China, and, in the meantime, he made a personal observation on the spot of the reality of the phenomenal progress which Manchoukuo has attained in 10 years following its establishment.

"It has been decided that Mr. Chu Min-i will visit our shores as the Special Ambassador to Japan representing his Government. Meanwhile Thailand's Special Envoy for the Felicitation of the Japanese-Thai Alliance Treaty, Lieutenant-General Phya Phahol Pholphaynha Sena, came to our country and presented to His Imperial Majesty a Message from his Sovereign, after which he fully exchanged cordial amenities with various official and civilian circles of our country.

Spirit of Comradeship

"The foregoing events are an eloquent expression of the ardent spirit of comradeship among Japan, Manchoukuo, China and Thailand, all of whom want to strengthen further their mutual cooperation and assistance in the political, financial, economic and military fields and to serve as propelling force for the establishment of the Greater East Asia Co-Prosperity Sphere. Together with all of our people the Government wish to congratulate heartily on the situation of Greater East Asia whose peoples are so firmly united.

"I wish to avail myself of this opportunity of expressing the profound respect of the Japanese Government to our Allies, Germany and Italy, and other friendly Powers which are achieving great victories in unity by continuing their indefatigable efforts and surmounting many difficulties in order to attain our common object of the war. Japan intends to continue her victorious campaigns, and, in conjunction with the magnificent fight of Germany and Italy against the United States and Britain, she expects to augment the comprehensive victories of these countries by putting forth her utmost efforts.

"In particular, she intends to carry on as a matter of course a close cooperation in the strategical sphere with her Allies and thereby establish a new world order. The fact that the United States and Britain, irritated by their successive defeats and their gloomy future, are loudly clamouring that the present war is a racial war, is nothing but a malicious intrigue to which they have always resorted in the past to deceive other peoples.

"It is a well known fact throughout the world that the powerful unity of our Axis Powers, cooperating on the basis of justice, will never be shaken in the least by such mischievous scheme of the Anglo-American Powers.

"The traditional crafty policy of the United States and Britain of securing their own expansion and comfortable life at the sacrifice of other peoples has now been universally exposed. It is greatly encouraging that in Burma, which has been cleansed by the gallant advance of the Imperial Forces, the entire Burmese people, under the peaceful guidance of our forces, are accelerating the trend toward glorious independence. With all the advance bases of the British Empire for the defense of India having come into the possession of the Imperial Forces, the golden opportunity is at hand for the Indian people to rise and attain their independence for which they have long aspired.

"The fact that the British-Indian negotiations, with the British Lord Privy Seal Sir Stafford Cripps acting as the central figure, ended at last in rupture without accomplishing anything whatsoever, demonstrates that India has already become spiritually independent from Britain. Thus, the spiritual basis of British possession of India may be said to have disappeared already, and the first historic step toward Indian independence has just been made.

"There still remains in India a framework of British possession with various military establishments, and the military forces are being steadily increased. As long as there remain Anglo-American military forces in India Japan is determined inflexibly to crush them thoroughly. To our regret, it is, indeed, unavoidable that in the progress of such campaign some misfortune may befall innocent Indians. What I expect at this juncture, however, is that the Indian people will rise with an intrepid spirit, expel the Anglo-American forces as well as their influence completely from India and thereby realize the independence of their Fatherland.

Chungking Isolated

"With the subjection of the enemy forces in Burma, the Chungking regime has finally become isolated: it is now plodding its way down to its inevitable fall. Due to the efforts of the Imperial Forces in China, there has been an increasing number of Chungking officers and men who surrender and pledge allegiance to the National Government at Nanking, while the fighting spirit of the Chungking armies is fast waning day by day. Such is the pitiable fate of those who, knowing that they are in the wrong, refuse to make amends: Japan intends to deal the final crushing blow to the resistance of the Chungking regime.

"Now that the Southwest Pacific has completely been brought under our control through the concerted operations of the invincible Imperial Army and Navy, Australia has become the so-called orphan of the Pacific. As the result of the Battle of the Coral Sea which recently took place in the vicinity of Australia, the naval forces in defense of that country have disappeared with nothing standing now to defend her before the onslaught of the Imperial Forces. I wish, therefore, to remind the leaders of Australia at this juncture of my sincere desire that they will ponder what I had previously stated in this House, perceiving the international situation and considering Australia's geographical environments, and then courageously and speedily decide upon her most important step.

"At this moment India is in commotion, Chungking on the verge of collapse, and Australia isolated!

"Turning to Hongkong, Shonan Island, the Philippines and other areas, we find them in the process of becoming bases for the sphere of new construction as peace and order are being restored, and they are making great strides toward rehabilitation. Our control over the Pacific and Indian Oceans is being extended day after day.

"In contrast to this, Britain has lost her important overseas possessions together with the means of acquiring resources, while her internal system and structures have not yet been completed: she is now face to face with a very precarious situation. Suffering defeat after defeat, the United States, hiding the fatal losses from the public, is frantically resorting to false propaganda in order to allay the criticism arising within her borders and to prevent estrangement of neutral countries. I cannot but pity the peoples of the United States and Britain who are fighting under such leaders as those who have given a position of trust to a commander who fled, deserting the helpless officers and men, or who are trying to cover up their defeat by loudly exaggerating the guerilla warfare on the sea, which are both futile and insignificant.

Faith in Ultimate Victory

"With a firm faith in the ultimate victory, Japan is now boldly pushing on her operations on a scale unparalleled in world history in its extent and precision. The Government expect, in perfect unison with the whole people, to replenish further the total strength of the nation to be ever more vigilant in victory, further enhance the traditional spirit of sacrifice and service to the State, and thereby attain speedily the object of the war and set the mind of His Imperial Majesty at rest.

"The bills presented at this Session have been limited to those which are urgently required in view of the situation such, for instance, as one concerning the assurance of the enforcement of the shipbuilding plan. I request your deliberation on them and your speedy approval.

"In conclusion, I wish once again to tender to our Allies and friendly Powers the expression of deep gratitude of the Japanese Government for their cooperation, and, at the same time, to pay profound respect to all of our nation for their self-sacrificing patriotic spirit and indefatigable efforts in serving the State."

UNSHAKABLE STAND EXPLAINED BY KAYA

(Continued From Page 1)

Japan but all the countries within the Greater East Asia Co-Prosperity Sphere. All races inhabiting Greater East Asia are bound to unite in establishing the Greater East Asia Co-Prosperity Sphere, maintaining it, and developing it.

"Needless to say, Japan is to lead the nations and races of Greater East Asia in perfecting measures necessary to realize the common ideal of a stable Greater East Asia Co-Prosperity Sphere. Such a sphere becomes possible when the nations of Greater East Asia are ready to stand at the side of one another.

Must Aim at Common Ideal

"All economic and financial measures enforced by the countries of Greater East Asia must of necessity be such as will help to realize this common ideal. It goes without saying that finance in the occupied areas of the Southern Regions should be so ordered as to contribute toward the achievement of this goal.

"As for productive activities in the various countries of Greater East Asia, they ought to be planned with a view to increasing the fighting power of Japan and of insuring the living of inhabitants in the area. From this it follows that it should be arranged for all settlements between these countries and between them and countries outside the sphere to be effected in Japan. A system is already in force under which settlements between Manchoukuo and China are effected in Tokyo.

"Thailand came to cooperate with this policy and decided to give up the method of settling the accounts between Japan and Thailand on the basis of gold, dollar or sterling, and to adopt the yen. Not only this, but also Thailand determined to adopt this method in the settlement of accounts with other countries in the East Asia Co-Prosperity Sphere. Thailand thus decided to enter into a necessary agreement on this with the Bank of Japan. The Bank of Japan has recently been reorganized so as to conform itself to the state of defensive structure of this country and to be the virtual central organ of Greater East Asia finance. Its entrance into an agreement with Thailand means the institution has just gone a step toward its objective. It should be mentioned here also that the recent revision of the conversion rate of the yen and baht on a one to one basis is based out of Japan's need to achieve the objective of the War of Greater East Asia and the establishment of the Greater East Asia Co-Prosperity Sphere, thereby accelerating the interchange of materials and capital.

New Structure Necessary

"Exchange quotations used to be fixed under international liberalism and in this the rate was fixed on the basis of the strength and weakness of liquidation capacity. In the construction of the Greater East Asia Co-Prosperity Sphere it is necessary to settle accounts on a new structure based on the cooperative attitude of regions involved in the Co-Prosperity Sphere. This policy is a manifestation of this ideal.

"That the Thai Government is closely cooperating with Japan in economic relations for the establishment and cooperation of the Greater East Asia Co-Prosperity Sphere is also a matter of happiness and congratulation for the interest and development of Thailand itself.

"The exchange quotation is thus decided on the basis already mentioned and at the same time the conception of the financial center of Greater East Asia must be placed on a new basis. There was a time when London or New York used to be the center of international finance, as international liberalism or capitalism was supreme. That Japan now forms the center of the Greater East Asiatic finance means Japan is its leading force. The whole regions of the Greater East Asia Co-Prosperity Sphere are destined to display their total ability on an organic and comprehensive basis for the achievement of the War of Greater East Asia and establishment and development of the Great East Asia Co-Prosperity Sphere. All financial undertakings must be regulated and readjusted under this structure.

"As regards the currency circulation and finances in various regions in the south under Japan's occupation, Japanese military notes are well cooperating with the currencies now in circulation and are realizing satisfactory and smooth circulation. Not only this, but the Southern Development Bank was founded late last March. Steps are steadily taken for Japanese banks to advance or return to the southern regions. Other conditions for restoring previous enterprises, developing resources and accumulating and distributing materials also are going on steadily.

Cementing Monetary Relations

"It is hardly necessary to say that Manchoukuo and China constitute the pivotal part of the Greater East Asian Co-Prosperity Sphere. The development of important defense resources and many other works of economic construction in Manchoukuo and China are being steadily pushed forward with the active hlep of Japanese funds and materials. It must also be noted that the National Government abolished on March 31 the relationship of parity between the Central Reserve Bank notes and the old fapi. With all connection with the old fapi cut off in this way, the Central Reserve Bank notes are now fulfilling their functions as stabilized currency forming the basis of Central China finance and economics. The step taken by the National Government in the matter was most appropriate in stabilizing the currency and finance in Central China, thereby promoting the security of living among the people. The Japanese Government is ready to give the measure adopted by that Government may reap the best possible results.

"The most important thing in wartime domestic monetary policy is to see that the funds required by the State are provided without fail and that they are provided not though the inflation of the currency but through the increase of national savings. The increase of savings has been particularly remarkable since the outbreak of the War of Greater East Asia. The increase of savings during four months from December last year to March this year is estimated roughly at ¥6,830,000,000 or an increase of some ¥2,760,000,000 compared with the corresponding period of the previous year. This marked increase bears eloquent testimony to the ardent desire of the nation to bring the War of Greater East Asia to a successful issue.

"Due to these good results, the increase of savings for 1941 exceeded ¥16,000,000,000, which means that the goal originally set has been attained, on the whole. The total increase of savings up to the end of March this year since the outbreak of the China Affair is put roughly at ¥50,000,000,000, and the stupendous war expenditures and the funds for the expansion of productive power have been met out of these savings.

Stresses National Savings

"It is projected that during the present fiscal year the national savings should be increased by ¥23,000,000,000, which figure shows an increase of some ¥7,000,000,000 compared with the actual savings for the previous fiscal year. In order to realize this object, redoubled efforts are required. So long as the national savings are increased as projected, the war expenditures will be provided and there will be no fear of inflation of a vicious nature arising. It is, therefore, most desirable that the entire nation will cooperate loyally with the Government in the realization of this object with redoubled energy and enthusiasm.

"Another important point in wartime domestic monetary policy is that the funds accumulated be distributed fairly and properly. It is very important that the funds necessary for the prosecution of the war should be provided without fail, while the flow of funds into quarters not necessary for the prosecution of the war should be checked effectually.

"The Government has planned the establishment of a monetary control organization in order both to promote the accumulation of funds and to carry out the necessary control over the distribution of funds, and this organization has already

(Continued on Page 4)

JAPAN'S IDEAL OF E. ASIA ORDER STRESSED BY FOREIGN CHIEF TOGO

(Continued From Page 1)

Foreign Minister Togo

firmly maintains the attitude mentioned above," he said.

The text of the Foreign Minister's speech follows:

All Phases Discussed

"It is a great honor for me to avail myself of this occasion of the opening of the 80th session of the Imperial Diet to express my views on various diplomatic questions during wartime.

"Since the outbreak of the War of Greater East Asia, all the American and British bases of aggression in East Asia have been destroyed, and the great work of constructing the sphere of common prosperity throughout Greater East Asia has already made a forward stride. These marvelous military achievements are due to the bravery and intrepidity of the gallant and loyal officers and men of the Imperial Forces under the August Virtue of His Majesty the Emperor, and we, the entire nation are profoundly grateful to them.

"It seems that both the American and British governments are even now persistently indulging in idle criticism of Japan by wilfully misinterpreting our attitude at the outbreak of the war and also the character of the current war but this only betrays their desperate efforts to evade responsibility for an uninterrupted series of military and naval reverses.

"There is not the slightest doubt, in the light of official records, that the Japanese Government had, during the negotiations extending over eight long months with America, consistently endeavored to seek a peaceful settlement. The fact has been clearly established throughout the world that it is America and Britain who are culpably responsible for the instigation of the war, having forced Japan to gird on the sword in self-defense.

"In staking her national destiny on the issue of the war, Japan is actuated by the desire to emancipate Greater East Asia from the yoke of exploitation of America and Britain, by shattering their ambition for world hegemony, and also to realize the great ideal of a new world order. No cause could be more righteous. It is no exaggeration to say that our war aims have few parallels in world history in their righteousness and justice. Justice always prevails. This is an abiding faith which inspires the Japanese people who have, during their 26 centuries' existence as a nation, successfully overcome every national crisis and have securely safeguarded their sacred soil under an unbroken line of Emperors.

"Our forces proving ever victorious, East Asia is now in a position to give full play to its original aspect, emancipated from the aggression and exploitation of America and Britain. The foundation for the construction of the sphere of common prosperity has now been firmly established throughout Greater East Asia. The great ideal to construct a new order on a moral basis and to enable all the countries and all the peoples in this sphere each to have its own proper place so as to share the honor of the rise of Greater East Asia is on the fair way to its realization. And this moral principle is fully recognized and deeply appreciated by all the countries and peoples in East Asia. That the peoples in the occupied areas in the South are showing an attitude of vigorous and voluntary cooperation toward Japan while the din of the battle has hardly subsided, is one of its manifestations. This is a matter of congratulation for the sake of the future of Greater East Asia.

Thai Alliance Stressed

"A treaty of offensive and defensive alliance was concluded between Japan and Thailand immediately following the outbreak of the war, thus establishing a close cooperation between the two countries in the political and military fields. Economic understandings including the settlement of payments on the basis of placing the yen and baht at par have recently been reached and mutual aid and cooperation between the two countries are being happily effected in the financial, economic and also cultural fields. At the same time, economic negotiations are proceeding smoothly between Japan and French Indo-China. All these are nothing but the result brought about by the enhancement of the above-mentioned moral principle.

"Further, Manchoukuo, Japan's ally, who is observing the 10th anniversary of the founding of her Empire has strengthened her pledge to share in Japan's aspiration and ideal, while the recent visit of the President of the National Government of China to Manchoukuo has resulted in a remarkable improvement of the friendly relationship between Manchoukuo and China. All these demonstrate a firm resolve on the part of Manchoukuo and China to proceed toward the construction of Greater East Asia, shoulder to shoulder with Japan.

"A section, however, of China deliberately disregards the moral character and historical importance of the construction of Greater East Asia. Greatly dismayed and disappointed at the shocking defeats sustained by America and Britain, it yet persists in blindly following them hoping to ensure its existence, by sticking to its slogan, 'National reconstruction through resisting Japan.'

"The rapid advance, however, of the Imperial Forces has completely cut off the Burma road, with the result that Chungking cannot hope to receive any aid from America and Britain. With its economic unrest mounting every day, Chungking's plight is being further aggravated. This is, indeed, a natural fate that befalls a regime which has, at the historic transformation of Greater East Asia, obstructed the campaign for the emancipation of Greater East Asia, without realizing its own proper duty, but none the less it commands our commiseration.

"With regard to India, it must be noted that as the British Army in India were increasingly exposed to danger consequent to the development of our military operations on a vast scale, Britain made frantic efforts to appease India in order to obtain the latter's positive cooperation, but all her efforts and intrigues have ended in utter failure meeting a blunt rebuff from the courageous Indian leaders. Her endeavors, moreover, only served to exhibit her bad faith toward India before the whole world. More recently, our successful reduction of Burma has added to Britain's worry and anxiety, so that she now finds herself in a great predicament desperately seeking to maintain her military bases in India.

"Britain's rule of India, extending over 200 years, is now shaken to its very foundation. But Britain is still trying to drag India into war or to make India resort to a scorched earth policy, by fanning ill will against Japan among the Indian people. Such an outrageous move, cannot be expected to draw any support from the Indians. As repeatedly affirmed, Japan harbors no hostility toward India's four hundred millions. We cannot bear to see even a single drop of Indian blood being shed for satisfying the limitless greed of the British Empire which is now on the verge of collapse. For the sake of the happiness of the entire world, Japan hopes and expects that the Indian leaders will seize this golden opportunity to march forward toward the realization of 'India for the Indians,' and to rise courageously in order to win India's emancipation and construction.

To Build New Order

"As you are all aware, the current war is intended to construct a new world order through cooperation between Japan on the one hand and Germany, Italy and other allies on the other. Immediately after the outbreak of the War of Greater East Asia, Japan concluded an epoch-making treaty of alliance with Germany and Italy, pledging their immutable resolve to march jointly toward the construction of a new world order and not to sheathe the sword until and unless their joint war against America and Britain is brought to a successful conclusion. Cooperation among the three Powers is close and cordial not only in the military fields but also in the political, economic, and cultural fields. With the cooperation of their European allies, Hungary, Rumania, Bulgaria and others, the bond that binds the Axis Powers is immutably solid.

"Even now, America and Britain are spreading mendacious propaganda in efforts to alienate Japan, Germany and Italy, but it is hardly necessary to mention that all such intrigues will be entirely wasted upon the iron alignment of the Axis Powers, which is based upon their common lofty aspirations, animated by their supreme mutual trust. The day for the realization of their common aspirations due to cooperation of their allies is steadily approaching, thanks to the successful military operations of the Axis Powers both in the East and West.

"Some time ago, some of the Central and South American countries, under American intimidation and instigation, severed their diplomatic relations with, or declared war upon, Japan and her allies. But most of those countries are still hesitating to extend positive cooperation to the United States. All this time, Argentina and Chile have steadfastly maintained their neutral policy with a firm attitude based upon their independent position.

"The relations between Japan and the Soviet Union have undergone no change even after the outbreak of the War of Greater East Asia. It has been reaffirmed quite recently that the Soviet Union intends to regulate her relations with Japan by the Neutrality Pact and that, accordingly, she has no intention whatever to place her territory as military bases at the disposal of our enemy countries. With the progress of the war, the enemy countries will, I presume, intensify their insidious maneuvers to alienate Japan and the Soviet Union but there is no chance for such intrigues to bear fruit so long as the Soviet Union firmly maintains the attitude mentioned above. Meanwhile, we, on our part, will continue to watch the situation with a calm attitude from the standpoint of preserving security in the North.

"Japan and her allies have established positions of a sure victory both in the East and West, completely overwhelming the enemies. The international situation surrounding Japan is developing more and more favorably, whereas there is no gainsaying the fact that the fortunes of America and Britain are steadily waning. Falling back upon their rich natural resources, America and Britain at the outbreak of the war pinned their hope upon war of attrition.

"In order to gloss over the alarming situation following their reverses, they declared that they would launch a great offensive against Japan after replenishing their armaments in two or three years. The recent unbroken string, however, of setbacks have made them so impatient that they have changed the tune of their propaganda, asserting that the current year will be so critical as to decide the issue of the war and advocating the necessity of armaments expansion and adoption of positive military and naval strategy. From the viewpoint of material resources alone, however, America and Britain are confronted with problems the solution of which is extremely difficult, including, for instance, that of shortage of shipping.

"Especially critical is Britain's position. Her wholesale retreat from all fronts of East Asia and the remarkable activities of the German and Italian navies in the Atlantic and Mediterranean have made the situation of the British Isles full of unrest. People in England are experiencing increasing difficulty of living, while unrest is sharpening in India, and Australia is exposed to a serious menace. Thus there are increasing indications that the collapse of the British Empire is impending.

U.S. Withholds Truth

"On the other hand, the United States is withholding from the public all news on her uninterrupted series of military and naval disasters while spreading fictitious reports of victory in an attempt to maintain popular confidence. In the past, American statesmen used to stand for frankness and candor, but it is a remarkable tendency that they are recently apt to refrain from speaking the truth. Meanwhile, however, the American people are steadily feeling the pinch of war, so that their standard of living is bound to deteriorate increasingly. It is but natural that dissatisfaction is voiced among the intellectual classes in the United States over the American Government which has despotically dragged the nation into an uncertain war with Japan without any chance of success, completely disregarding the welfare of the masses.

"In short, the fact that the American Government resorted to interferences and aggression in violation of the moral principle which inspired the founding of the United States and further that they jumped to the hasty conclusion that they would be able to bring Japan easily to her knees constitutes the major cause for bringing about the current world-wide disturbance. Japan's object consists in destroying the American policy of aggression, which dreams of world domination.

"In efforts to cope with popular discontents arising from their military debacles, America and Britain not only unlawfully occupied Madagascar Island, a French possession, under untenable pretexts, but furthermore are stretching their greedy hands to French possessions in the West Indies. Furthermore, Britain has sent military expeditions to Iran which has had no desire but to live in peace. America and Britain have sinned against God by unscrupulously spreading the war to various parts of the world through the pursuance of their traditional policy of victimizing weaker nations. It is clear as daylight, however, that Britain and America who resort to such an outrageous policy will eventually come to a grief.

"The international situation is developing unfavorably for America and Britain. At this juncture, Japan has manifested before the whole world her renewed resolve to prosecute the war to a successful end, by establishing a new national political structure in a spirit of cooperation on a basis of national unity, which has further strengthened her war efforts under an iron solidarity. I believe that the enemy countries will not fail to be impressed by our immutable faith. It may be easily imagined that America and Britain will resort to counter-offensive in desperate efforts to retrieve their defeats. However, it is my unshakable belief that there is no room for doubt that our nation will succeed in prosecuting this great war to a glorious termination and in constructing a brilliant world, by bending their efforts tenaciously with the entire nation united like one man, however long the war may be protracted."

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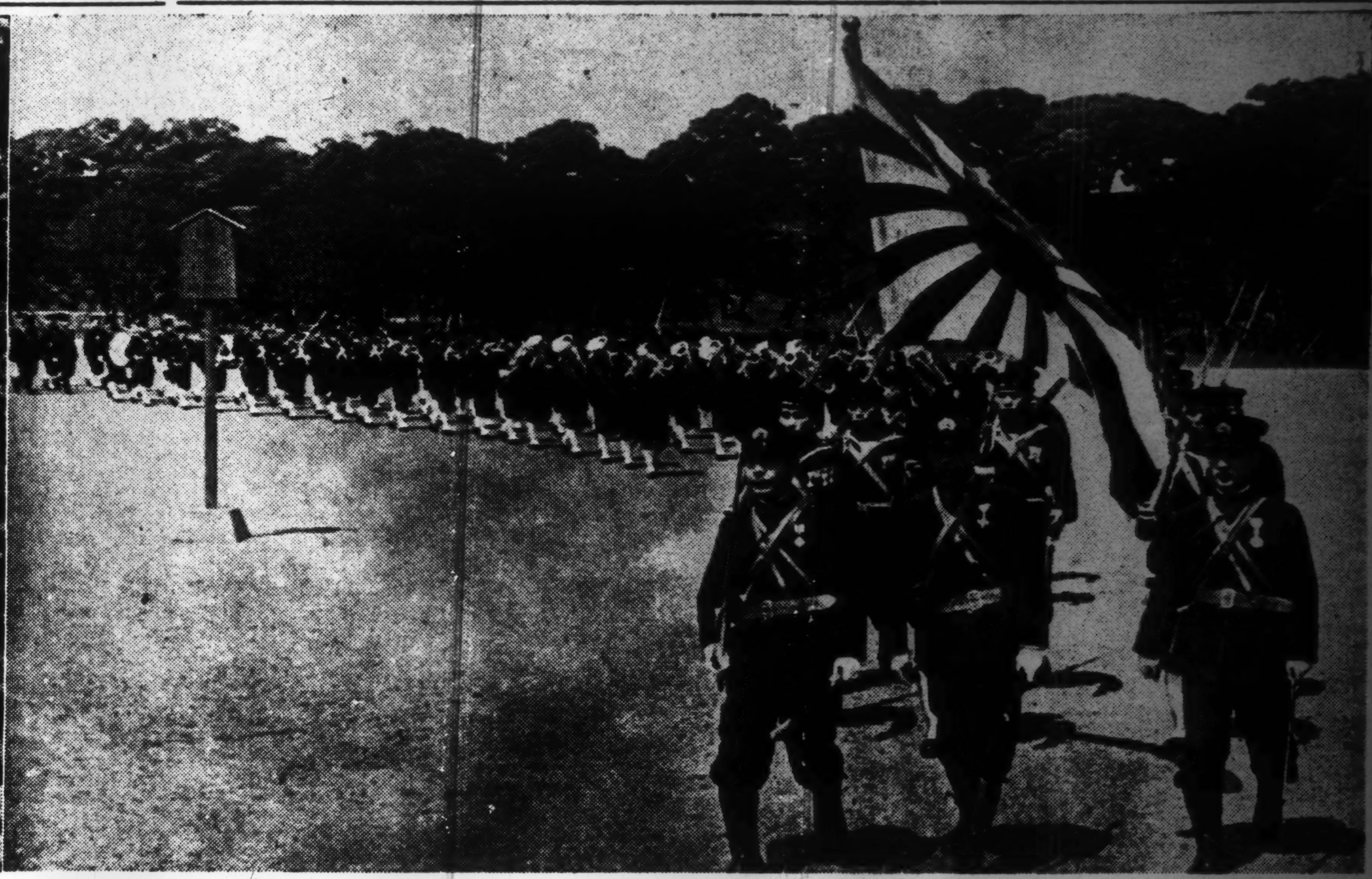
AS JAPAN CELEBRATED NAVY DAY



The entire nation on Wednesday celebrated Navy Day, the day 37 years ago on which glorious victory was won in the Battle of the Japan Sea. The auspicious occasion held added significance this year, coming so soon after the series of magnificent achievements scored by the Imperial Navy. In the picture on the left, members of a Naval Landing Party present arms at the Yasukuni Shrine in honor of the spirits of gallant war heroes enshrined there. On the right, the Naval Landing Party, led by the standard bearers and the Navy Band, is seen marching out from the plaza in front of the Imperial Palace.

WAR HEAD REVIEWS BRILLIANT RESULTS

(Continued From Page 1)

rectly to the north of Rangoon. This city was surrounded by Chungking forces which held strong positions, effectively utilizing neighboring villages.

Port Arthur Feat Repeated

"Finding it impossible to smash these positions with mountain guns, our forces approached the enemy by tunnelling and finally succeeded in occupying this strategic city. The first time this military tactics of utilizing subterranean passages were carried out was at the time of the Russo-Japanese War when the Japanese attacked Port Arthur.

"Most of the resistance in this area was put up by Chungking forces which had never before engaged with the Japanese Army, and we were able to display our might for the first time to these forces.

"Next, let me describe how our forces captured the oil fields in the vicinity of Yenangyaung.

"Yenangyaung, which is located about 200 kilometers to the southwest of Mandalay along the Irrawaddy River, yields a great deal of oil of exceedingly high quality.

"The enemy forces stationed in this area were mostly composed of British and Indian troops, but our forces gave the enemy a smashing blow which left at least 2,000 dead bodies behind, enabling our forces to completely occupy the oil fields in this area by April 20.

"Although the enemy tried to carry out effective scorched earth tactics during the course of their retreat, most of the oil wells were safely secured by our forces although some destruction took place with a few fires left burning.

"It is unnecessary to mention the great advantage these oil wells will bring to the defense of Japan, but another significant fact regarding Japan's capture of these wells is that 70 per cent of the oil used by the rising industries of India was supplied by these wells ,and this supply has been completely cut off.

"By the end of April, the enemy's defense positions were put into complete turmoil and effectively utilizing this opportunity, our forces continued pursuit.

Lashio, Mandalay Fall

"On April 29, our forces occupied Lashio; on May 1, Mandalay; on May 3, Bhamo, and already by May 5, our forces had crossed the Yunnan border and occupied Lungling. Today they are continuing ferocious onslaught forward.

"It is unnecessary for me to describe to you the strategic importance of the cities of Mandalay, Lashio and Lungling, all on the so-called Burma Route, the sole supply line to Chungking, which has now been completely cut asunder. Mandalay, needless to say, is the political and economic center of central Burma.

"Moreover, the rapid occupation of these strategic spots in Burma has accounted for the severance of the Chungking forces from the combined British and Indian forces which led to their separate destructions.

"The last battle fought in Burma took place to the northwest of Mandalay where the British and Indian troops stationed in that area were completely wiped out.

"As I have already mentioned, the combined British and Indian forces were severed from the Chungking forces, and being pushed into the mountainous terrain of the border between India and Burma, were surrounded by our forces and virtually annihilated.

"The battles of Cashar and Kalewa were a part of this annihilation campaign.

"Kalewa is a strategic point located about 250 kilometers to the northwest of Mandalay on a mountain pass connecting Burma and India, and the huge number of enemy bodies left behind as well as the overwhelming number of cannons, tanks and motorcars which were captured by our forces indicates the size and completness of this annihilation campaign.

"Let us now turn our eyes to the southern extreme of the Burma-India border where our forces occupied on May 4, the strategic city Akyab which was the base of the enemy air force in this region. You are quite aware of the significance of this campaign.

Army, Planes Cooperate

"It should be mentioned here that the close unity between the Army and Air units, which not only smashed the enemy air force in Burma but cooperated in every successful campaign with the land forces, is the factor that brought about the brilliant successes in Burma.

"Our achievements in Burma, from the beginning up to May 16, including the capture of about 5,000 prisoners, and 20,000 enemy bodies left behind. Furthermore, 450 enemy planes were shot down for sure and about 110 were presumably downed. Among the trophies taken by the Japanese Forces were included about 700 cannons 6,100 tanks, motorcars and railway coaches and 8,500 machine-guns.

"I wish to add, with great pleasure, the fact that the people of Burma welcomed wholeheartedly the coming of the Japanese Forces, and also thus the fact that the Thai forces maintained close cooperation with the Japanese Armies, further bolstering the friendly ties between the two countries.

"Next, I shall explain the annihilation campaign carried out by the Japanese Forces against enemy remnant forces. The main places where these campaigns took place were in the Philippines, Northern Sumatra and the Andaman Islands.

"The enemy forces on Bataan Peninsula, utilizing geographic barriers and benefiting from the dense jungle terrain, held strong positions, sending the Filipinos to the front lines and maintaining strict surveillance in the rear.

"Our Forces, concentrating infantry corps and artillery on Mt. Samat started a large-scale offensive on April 3 with the intention of breaking through the front lines of the enemy and then encircling them to make an attack in the rear.

"This large-scale offensive made rapid progress, and on the following day, our forces reached the rear end of the enemy lines. By the morning of April 5 our forces succeeded in cutting through the enemy lines and advanced to the line extending from east to west on Mt. Samat.

"Our Forces continued to attack the rear positions of the enemy and on April 8, completely occupied the enemy positions on Mt. Limay.

"By the morning of April 9, enemy resistance had practically ended and there was a continuous inpour of surrendering troops carrying white flags. At noon, Major-General E. P. King, Commander-in-Chief of the United States forces on Bataan Peninsula, accompanied by his staff officers surrendered to the Japanese Forces, bringing the Bataan offensive to a close, seven days after the major onslaught was commenced.

"There were, however, remnant forces at Mariveles and Corregidor who continued resistance, and our Forces continued a hot pursuit of the enemy positions at Mariveles and commenced preparations to attack Corregidor fortress.

"As a result of this campaign, 40,000 enemy including Major-General King and his staff officers were made prisoners and 196 guns, 340 tanks and motor cars as well as a huge supply of ammunition were seized.

"Corregidor is an extremely rugged island which the enemy had strongly fortified with a number of large-caliber guns and other war facilities. As a result, it was said to be nearly impossible, to conduct landing operations there in the face of a strong enemy garrison.

Took Only 30 Hours

"However, this so-called impregnable fortress was captured by the Japanese Forces within a little more than 30 hours from May 5 to the morning of May 7.

"On the night of May 5, Japanese Army Units landed there in close cooperation with the Navy Forces and at about 11 a.m. next day, Malinta Hill fell into our hands.

"At about noon of the same day, the enemy sent a capitulatory note but the Japanese staff officers on the front lines, under instruction of the Supreme Commander, sent back the bearer of the message with the advice that the Japanese were prepared to consider an American proposition only in the case of unconditional surrender of the whole American East Asian Forces in the Philippines.

"Shortly after, Lieutenant-General Jonathan Wainwright, accompanied by his staff officers appeared before our first line troops and her party was received by the Supreme Commander of our Forces.

"However, as he insisted that he was in command of the Filipino-American troops on Luzon, but not those in other regions and that it was impossible for him to agree to the unconditional surrender of the whole forces in the Islands, his offer was rejected by the Japanese and the decision made to carry out the attack as prearranged.

"Wainwright returned to Corregidor, and soon afterward, the enemy agreed to the unconditional surrender of all the Filipino-American troops in the Philippines. As demanded by us, Wainwright ordered his forces to surrender to the Japanese in a radio message. Furthermore, the order was relayed to other enemy forces by sending staff officers.

All Fortresses Fall

"In this way, we completely took over all the fortresses including Corregidor and other islands in Manila Bay at 8 o'clock on May 7. Outstanding results of this victory are as follows:

Prisoners	Approximately 12,000 (Largely Americans)
Heavy Caliber Guns	246
Motor cars	270
Airplanes	8
Shells	Approx. 100,000
Provisions	Two-month supply

"Our Army Units sent to Visayan and Mindanao islands in the southern part of the Philippines landed on April 10 at Cebu where they were able to rescue 283 Japanese from imprisonment. On May 17, our Forces landed at Panay and rescued 427 more Japanese subjects on the following day.

"In spite of the thorough 'scorched earth' policy of the enemy, our operations progressed smoothly and in less than 10 days the whole of the Philippines fell completely into our hands.

"The Philippines, which had been the most important base for American aggression in East Asia for the past 44 years, ever since it passed into American hands following the Spanish-American War, has thus collapsed and with it all American hopes have been lost.

"As to our operations in North Sumatra: Since we were of the belief that the enemy in the area would possibly strive to offer resistance, despite the surrender of the Governor-General of the Dutch East Indies, we made arrangements whereby they might be induced to give up the fight.

"In parallel with the arrangements, our Forces landed at several points in North Sumatra. Early on the morning of March 12, landings were made at Sabang, Kota Raja and Medan and advanced to Segli on the following day. Commanding the northern gate of Malacca Straits, Sabang is a strategic point. In former days, the Japanese had been actively engaged in fisheries in areas adjacent to the place. Kota Raja is also an important center in North Sumatra while Medan is the foremost modern city on the island and a noted trade port. The city has an airfield. Segli had hitherto been the base for Dutch aggression in North Sumatra.

"On March 17, a part of our forces penetrated into Batang. It was here that the Japanese first learned from the Sumatra Governor-General, who was staying here, that he had not received any instruction from the Dutch East Indies Government regarding suspension of hostilities and hence had not ordered his forces to quit hostilities.

Surrendered on March 27

"When the supreme commander of the Dutch forces learned of our landing operations, he and his men immediately sought refuge in the mountains. However, on March 27, they surrendered to us and with it, the whole island came under our complete control.

"In view of the fact that the Andaman Islands to the north of Sumatra are suitable for air bases for our Army and Navy, a part of our forces, in cooperation with our Navy units occupied strategic points in the area at the end of March following unconditional surrender of the enemy defenders. As a result, we are now able to command the Indian Ocean.

"Constructive undertakings in South: Approximately 1,700,000 square kilometers of land are now under the military administration of the Imperial Army. This is about 2.5 times the size of our country and is inhabited by more than 80,000,000 people according to a census taken some years ago and now probably out of date.

"As to the military administration in this occupied area, the Army and Navy are cooperating both at the front and at home. Thanks to the various official and civilian sections, the administrative system has been prefected for the time being and is functioning smoothly. It is a matter for congratulation that the economic construction is also progressing satisfactorily.

"Natives of the various regions, who had been groaning under the shackles of Americans, British and the Dutch for many years, now are placing full confidence in our Army and show willingness to cooperate with us. As to the maintenance of peace and order, everything is going on satisfactorily as the mop-up campaigns have been completed.

"Althought we are still keeping rigid watch over the Chinese who had committed particularly aggressive anti-Japanese acts, up to the outbreak of the Greater East Asia War, those who were not inimical to us are now being treated warmly and are made to cooperate with us. In appreciation of the true intentions of the Japanese Forces, they are now willingly cooperating for the establishment of the Greater East Asia Co-Prosperity Sphere.

"Although the major industrial facilities were damaged badly, their rehabilitation is progressing smoothly and it is likely that we will be able to obtain vital commodities during this year as expected.

Oil Resources Controlled

"Development of petroleum resources is now under the direct control of our Army. In spite of the fact that the greater part of the oil fields were in damaged conditions at the time of our occupation, work has rapidly been under way owing to the strenuous effort on the part of the oil exploitation units. It has become almost certain that in the course of this year we will be able to acquire crude oil to an amount nearly 10 times the annual oil acquisition as previously estimated.

"One of the two refineries at Palembang, Sumatra Island, fell into our hands undamaged as the enemy had no time, in the face of our death-defying parachutists, to destroy it. Petroleum experts will soon be sent to the refinery and the plant which will be put into operation at no distant date.

"In order to transport commodities from the occupied regions, vessels requisitioned by the Army are being put to full use. The Army Forces at the front are also making strenuous efforts for the transportation of necessary commodities to the homeland in response to the hearty support of the people behind the guns.

"Rice was the main item shipped to this country from the southern

(Continued on Page 4)

SHIMADA TELLS DIET NAVY ALWAYS ALERT

(Continued From Page 1)

wish to offer explanations on these principal operations.

"To begin with, in the Indian Ocean, without losing time, the Imperial Japanese Navy, immediately following the occupation of Java, took necessary steps to cut off enemy communication lines and to trap enemy remnants. Especially, one of our influential submarine units launched operations along the coasts of India and Burma, sinking a large number of enemy merchantmen in the waters off Colombo, Madras and Rangoon, thereby dealing a severe blow to enemy communication lines. And on March 23, units of the Imperial Japanese Navy, in close concert with the the Army, effected a surprise landing on the Andaman Islands and succeeded in making the British forces surrender unconditionally, thereby acquiring an influential foothold on the Bay of Bengal. Again, on March 31, Naval Units conducted a coup de main on Christmas Island, situated south of Java, which is noted for its rock phosphate, and occupied the island.

Bay of Bengal Operations

"In consonance with the Army strategy in Burma, an influential portion of our fleet pressed on to the east coast of India on April 5 and launched, chiefly with our Naval Air Force, simultaneous large-scale attacks in the directions of the eastern coast of India, the Bay of Bengal and Colombo.

"In the air raid against Colombo we succeeded in downing 60 enemy warplanes in one fell swoop, sank or destroyed 16 enemy vessels within the harbor, destroyed or set afire hangars and other military objectives, thereby destroying at one stroke an important strategic point on which Britain depended for the defense of the Indian Ocean. At the same time, in the waters of the Bay of Bengal the Imperial Japanese Navy sank 21 enemy merchantmen, aggregating a total tonnage of 140,000 and heavily damaged seven enemy vessels, totaling 40,000 tons. The Imperial Japanese Navy also attacked key strategic points in the east coast of India and dealt heavy damage to enemy vessels and military objectives. In the afternoon of the same day, the Imperial Japanese Navy spotted large-sized British cruisers of the London and Cornwall types which were taking flight at high speed at a distance of approximately 350 nautical miles south of Ceylon Island. Units of our Naval Air Forces at once gave chase and sank them in no time.

"Then on April 9, changing the target of our attack, a large formation of our Naval Units assailed the Trincomalee zone, a naval base of Ceylon Island, and spotting the British aircraft carrier Hermes and a destroyer proceeding southward in the waters southeast of the naval base, at once sank these enemy warships. At Trincomalee the British middle-sized cruiser Leander was heavily damaged and three enemy merchantmen were sunk. In addition to this, 60 enemy warplanes were either shot down or destroyed, and the greater portion of enemy military objectives were also dealt heavy damage. The airfield facilities, especially, were blown to pieces.

"In the meantime, our submarines in this area sank seven enemy vessels and heavily damaged one, with the result that the total of enemy merchantmen sunk by our submarines and air raids staged the previous day reached 35 and those heavily damaged aggregated 24. In these operations we lost 17 planes, but our fleet remained intact.

"Owing to these operations, the command of the Eastern Indian Ocean fell into our hands, and not only did it deal a telling blow to the enemy but it also played a far-reaching effect upon the psychology of the Indian people.

Aided Army From Sea and Air

"In the direction of the Philippine Islands, thanks to the bravery and valor of the Imperial Japanese Army, Bataan Peninsula was completely reduced on April 11, and this was closely followed by the general offensive against Corregidor. In these military operations, our Naval Units closely cooperated with the Army from the sea and air, and on May 5 the fighting services, in close concert with the Army and Navy, succeeded in affecting a landing on Corregidor fortress in defiance of enemy resistance. Thus, all the fortresses at the mouth of the Manila Bay, on which the United States had depended as their last defensive resort in the farflung Pacific, were completely occupied on May 7 by our fighting services.

"Meanwhile, both the Army and Navy cooperated closely in the southern part of the Philippine Islands, and, on April 10, the fighting services succeeded in landing and reducing Cebu Island; on April 16, Panay Island was occupied, and in the period between the end of April and the beginning of May, various strategic points in Mindanao fell successively. Thus, all the United States' strategic points which had nominally subsisted up to that time were completely captured by Japan.

"In the direction of the East Indies, the Imperial Japanese Navy effected landings on Boela in Ceram Island and, on April 7, on Ternate, both of which were at once reduced.

"Meanwhile, our Naval landing units occupied Fak Fak which is at the western tip of New Guinea; this was followed by reduction of other strategic points in New Guinea, and, on May 19, the western half of New Guinea completely fell into our hands with the landing on Hollandia as the last move.

"In the Lesser Sunda Group, with the landing on Lombok on May 9 as the harbinger of our attack, Naval landing parties took Sembawa and Flores Islands, and on May 14 occupied Sunba by which we completed the reduction of all the strategic points in the East Indies.

Attack on Australia

"In the direction of Australia, after our occupation of Java Island, the enemy, regarding Australia as the last foothold of their counter-attack, speedily re-enforced their strength and attempted an aerial guerilla warfare against us several times. Accordingly, the Imperial Japanese Navy repeatedly launched aerial attacks against Australia, with Port Darwin, Derby, Wyndham and Broome as the principal targets of our attack in the west and with Port Moresby, at the southern tip of New Guinea and Horn Island at the northern tip of Australia also as the principal butts of our attack. All of these places have been almost daily bombed, inflicting heavy damage to them. The enemy has been staging aerial guerilla warfare on our occupied territories every now and then, but each time, the enemy planes have been repulsed with heavy losses.

"The total number of enemy planes either brought down or destroyed by us since March 10 in the Australian zone, has reached 455, and despite the fact that both Britain and the United States are constantly re-enforcing their air forces in this part of the globe, we are always enjoying the whip hand. In this manner, the naval war situation developed to a climax in the Battle of the Coral Sea.

"On May 6, a unit of our Imperial Navy operating in the waters of New Guinea spotted a powerful Anglo-American combined fleet consisting of three battleships, aircraft carriers, cruisers and other warships. The Imperial Japanese Navy at once went out to catch the enemy fleet. On May 7, our air units launched a very brave attack on the fleet and sank instantaneously a United States' battleship of the California type, one cruiser of the Portland type and one destroyer; at the same time the British battleship of the Warspite type and one latest type oil tanker of 20,000-ton class were heavily damaged.

Aircraft Carriers Sunk

"Continuing our pursuit the following day on May 8, by terrific aerial attacks, the United States' aircraft carriers of the Saratoga and the Yorktown type were sunk in one swoop, while a United States, battleship of the North Carolina type was crippled. In this engagement, one of our planes loaded with torpedo crashed headlong into one of the enemy cruisers, heavily damaging the ship, which soon listed and went aflame, completely losing its fighting power. This was sighted by one of our planes which took part in the attack.

"In this two-day battle, our naval air force put up a gallant fight, and in addition to the enemy warships sunk and heavily damaged, our forces shot down as many as 98 enemy planes, while the number of our planes still missing numbered 31, seven of which returned later, and with the sinking of one of our small type aircraft carrier in the battle of May 7, for the first time since the outbreak of the War of Greater East Asia, we have lost one warship.

"In the Battle of the Coral Sea, the main force of the Allied Combined Fleet in Australian waters, which had just completed their line-up, was smashed, and this not only shocked the whole of Australia but also Britain and the United States. Both Britain and the United States are firmly locking up this skeleton of the miserable defeat in their closets, but it is bound to come out sooner or later before the eyes of their peoples, and it is as clear as daylight that at that time both the British and American peoples will receive a real shock.

"The foregoing is an outline of the most salient operations of the Imperial Japanese Navy since the outbreak of the War of Greater East Asia, while the total war results gained by the Navy so far are as follows:

8 battleships sunk
6 aircraft carriers sunk
15 cruisers sunk
24 destroyers sunk
50 submarines sunk

making a total tonnage of approximately 580,000, in addition to which 47 auxiliary ships were also sunk, while those heavily damaged consist of:

5 battleships
12 cruisers
11 destroyers
29 submarines,

aggregating a tonnage of approximately 320,000, in addition to which 40 small auxiliary ships were also heavily damaged.

"When it comes to enemy merchantmen, 169 vessels or 934,000 tons were sunk, 129 vessels totaling 485,000 tons were heavily damaged.

503 Merchantmen Captured

"In addition, nine warships and 503 merchantmen aggregating a tonnage of 220,000 were captured, while the total number of enemy warplanes, both shot down and destroyed reached 2,285.

"Against these huge enemy losses, our losses consist of only one small type aircraft carrier, one sea-plane carrier, one mine-layer, six destroyers, six submarines and 14 small auxiliary ships, to which should be added the loss of 17 transports, totaling 62,000 tons, and 248 planes.

"It is really a source of great congratulation that we have been able to score such remarkable results in such a titanic war as the War of Greater East Asia with such an unexpectedly small loss, which can only be ascribed to the August Virtue of His Majesty the Emperor.

"The combat zone has now been extended over the whole of the Pacific Ocean and to the Indian Ocean, and the war situation is now developing greatly to the advantage of our Empire. However, judging from the broader viewpoint of the War of Greater East Asia as a whole, we have only paved the way for an ultimate victory, and the real issue of victory or defeat lies in the future.

"The enemy who has had to suffer the ignominy of successive defeats is now concentrating its whole energy on rolling back the tide of war and on reinforcing its forces, and it is to be taken for granted that the enemy will resort to all conceivable means to counter-attack us, and for this reason we should not, even for a moment, be off our guard.

"Permit me to assure you that the officers and men of our Imperial Navy are in high spirits and have unflinching faith in our final victory. They are as firmly resolved as ever to achieve the ultimate objective of the war by bringing the enemy to its knees, defying all difficulties and obstacles that may be in store for us.

"In conclusion, allow me to tender my deepfelt condolences to the departed souls of the brave and courageous officers and men who gave up their lives for the cause of the nation and to express my sincerest sympathies toward their bereaved families."

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The Annual Meeting of the Yokohama Amateur Rowing Club (incorporating the Yokohama Yacht Club) will be held at the Hotel New Grand on Thursday, June 4th, 1942, at 4:30 p.m., for the purpose of transacting the following business:
1) adopting the Committee's Report for the year 1941,
2) receiving the Acting President's report on the present situation of the Club,
3) electing a new Committee.

Members are invited to send in separate proposals for a President, Captain, Commodore, Vice-Commodore and four General Committee members not later than June 3rd, 1942, to Mr. H. Baenninger, 254 Yamashita-cho, Naka-ku, Yokohama. Proposals should only be made after the consent to serve from the respective members has been obtained.

H. BAENNINGER,
Acting President.

TOHO TO REPRODUCE HISTORIC BATTLES

Makes Preparations to Film Naval Encounters of Hawaii And Malaya

At the request of the Press Section of the Navy Ministry, Toho has started extensive preparations for the production of a historic war picture entitled "The Sea Battles of Hawaii and Malaya," which will be directed by Kajiro Yamamoto, veteran director.

The Ministry of Education has recently approved the three culture features, "Biwako Tansuimo" (Fresh-Water Weeds of Lake Biwa), by Chuo; "Kaigun Taiso" (Naval Physical Exercise) by Nikkatsu; and "Seikatsu to Kotei Kakaku" (Life and Officially Fixed Price) by Kokoku.

Thirty-nine out of 50 motion pictures for classroom use have tentatively been decided by the Education Ministry as suitable for showing before pupils of national schools. The leading pictures are "Toshokan" (Library), "Nankyoku Hogeigari" (Whaling in the South Pole), "Boyenkyo" (Telescope), "Rakkasan Butai" (Parachutist Units), "Kaiyo Shonendan" (Marine Scout), and "Seruroido no Hanashi" (The Story of Celluloid).

"Nishizumi Sensha Taishoden" (The Tale of Captain Nishizumi, Commander of a Tank Unit), one of Shochiku's feature vehicles, made a big hit in the recent showing at Hanoi, according to word received here by the South Sea Motion Picture Association.

Toho's new feature entitled "Nankai no Hanataba" (Bouquet of the South Seas) has been recommended by the Education Ministry as the eighth production of this year granted official endorsement.

According to an official survey received by the Home Ministry recently, motion pictures shown during March in Shanghai totaled 371, including 40 Japanese, 115 Chinese and 216 imported productions.

For five days starting June 4, the Noson Gyoson Bunka Kyokai will dispatch a special group of motion picture projector operators to Niigata Prefecture to present a circuit performance of motion pictures to encourage those who are working for the increased production of foodstuffs.

Sponsored by Kan Kikuchi, noted writer, a new society of scenario writers will be established in the Japan Motion Picture Association for the promotion of motion picture culture.

The Nippon Bunka Eiga and Dai Nippon Tennenshoku, two influential culture picture producing companies, will be merged into one body, it has been decided at a recent directors' general meeting. Seiji Adachi has been appointed president of the newly combined company.

In June, altogether 15 culture features are scheduled to be released at the various local cinema houses. The principal offerings will be "Todai Monogatari" (The Tale of Lighthouse); "Kenko to Shokumotsu" (Health and Food); "Doro" (The Road); and "Hokuyo Nikki" (The Diary of the North Sea).

In an endeavor to contribute toward the development of culture in the southern regions, the Japan Eigasha has recently established a new section called Bunka Eiga Kaigaihan (Overseas Culture Films), which will undertake definite plans for the production of cultural pictures dealing with the southern areas.

ARGENTINE SHIP RESCUES 56 MEN FROM MARYLAND

Sinking of U.S. Battleship by Italians Puts Roosevelt in Awkward Position

Stefani

ROME, May 25.—The announcement that 56 survivors of the United States 31,500-ton battleship, Maryland, which was sunk May 21 off Fernando la Noronha Island at the eastern-most tip of Brazil by the Italian submarine, Barbaridgo, were picked up and placed on board the Argentine ship, Iguazu, has been confirmed today by the Argentine Navy Ministry, according to a report received here.

The dispatch from Buenos Aires stated that this report has placed the Washington Government in an embarrassing situation due to the fact that President Roosevelt in spite of the Italian communique regarding the sinking kept the disaster absolutely secret from the American public on the pretext that it would furnish useful information to the enemy.

In this connection, the Italian High Command declared: "The President's attitude to conceal the real facts was a clever one but in reality, it was openly displayed a proof of his weakness.

"The indirect verification of the sinking of the Maryland as confirmed through neutral sources by the rescue of the survivors by an Argentine vessel must be worrying President Roosevelt aplenty how to explain his former reserve and reticence."

Noh Plays Popular

With the ever-growing popularity of the classic Noh, the Tokyo Takarazuka theater takes the lead by staging for the first time in its history Japan's oldest form of drama. Cooperating in this ambitious undertaking is the Umewaka School of Noh which has already won distinction as the leading exponent to popularize the classic drama. On Wednesday night, three of the leading repertory—"Shunkan," "Aoi no Uye" and "Tsuchigumo"—were presented before a capacity house.

Concert Calendar

Piano Recital by Miss Yoshiko Kuroda, program devoted to Bach-Busoni, Beethoven, Chopin, Debussy, Liszt, Friday, May 29, at 7 p.m., at Hibiya Public Hall.

Piano Recital by Miss Shigeko Kaneko, Tuesday, June 2, at 7 p.m., at Meiji Seimei Hall.

Vocal Recital by Miss Chizuko Asano, accompanied by Tatsuo Mizutani, at the piano, Tuesday, June 2, at 6:30 p.m., at Nihon Seinenkan.

The 237th Subscription Concert by the Nippon Symphony Orchestra, under the baton of Kazuo Yamada, Wednesday and Thursday, June 3 and 4, at 7 p.m., at the Hibiya Public Hall.

The second concert of Gyosei-kai, "Evening with Piano, Violin and Vocal Numbers," Friday, June 5, at 6:30 p.m., at Sangyo Kaikan.

Piano Recital by Miss Yoko Matsukuma, program devoted to numbers by Chopin and Liszt, Saturday, June 6, at 7 p.m., at the Hibiya Public Hall.

Concert of Two Piano, by Miss Fumiko Yamamoto and Yoichiro Miyake, Sunday, June 7, at 7 p.m., at Nihon Seinenkan.

The Fourth Tokyo Chamber Symphony Concert, in memory of the late Felix Weingartner, under the baton of Professor Klaus Pringsheim, Tuesday, June 9 at 6:30 p.m., at Sangyo Kaikan.

Vocal Recital by Miss Sueko Hiraharu, accompanied by Miss Aiko Kurosawa, at the piano, Wednesday, June 10, at 7 p.m., at Nihon Seinenkan.

Piano Recital by Madame Lydia Shapiro, Thursday, June 11, at 6:30 p.m., at Sangyo Kaikan.

Violin Recital by Haruhiko Okami, accompanied by Toshiko Okami, at the piano, Friday, June 12, at 7 p.m., at Nihon Seinenkan.

Debut Recital by Miss Suzuko Nikaido, soprano, after her return to Japan from Germany where she was a pupil under Professor Luler Mysz-Gmeiner, accompanied by Alexis Abaza at the piano, Saturday, June 13, at 7 p.m., at the Aoyama Kaikan.

Beethoven Cycle Concert by the Tokyo Symphony Orchestra under the baton of Professor Manfred Gurlitt, Soloist: Professor Leo Sirota at the piano, Saturday, June 13, at 6:30 p.m., at Hibiya Public Hall.

Piano Recital by Kikuji Tanaka, Tuesday, June 16, at 7 p.m., at Nihon Seinenkan.

Violin and Piano Recital by Professor Alexander Moguilewsky and Professor Leo Sirota, Thursday, June 18, at 6:30 p.m., at Hibiya Public Hall.

The 10th Abonnement Concert by the Tokyo Symphony Orchestra, under the baton of Professor Manfred Gurlitt, Friday, June 14, at Hibiya Public Hall.

The 15th Concert of Kosei Bunka, sponsored by the Kokusai Bunka Gakuin, Soloists include Professor Leo Sirota, piano and Miss Chizuko Asano, soprano, Saturday, June 20, matinee at 1 p.m. and soiree at 5:30 p.m., at Kyoritsu Kodo.

The 5th Concert of the "Nankai Gakuyu" (formerly Kalua Kamaainas) Soloists include Eiichi Asabuki, vibraphone and Miss Yoshie Makihara, soprano, Saturday, June 20, at 6:30 p.m., at Hibiya Public Hall.

Concert by the Gregorian Music Society, which was expected to be given June 7, is postponed till next autumn due to an unavoidable situation.

Kobe Notes

The Kansai Young Pacific Club will hold an outing next Sunday, in the form of a picnic to Kawachi, popular scenic spot on the outskirts of Osaka, which is noted for its many historical events.

Members are reminded to bring their lunch and to meet at the Hankyu terminus at Uehonmachi 6-chome at 10 a.m.

The following guests were registered at the Tor Hotel on May 26:

Mr. K. Chin, Miss G. Drache, Mr. and Mrs. J. Hirose, Mr. A. Lesourd, Mrs. K. Nishimiya, Mr. S. Nozaki, Mr. K. Ohtani, Dr. and Mrs. W. Prahl and two sons, Mr. M. Suehiro, Mrs. H. Schalk, Mr. H. Vogt, Mr. and Mrs. E. Wolf.

MEXICO NEEDS SHIPS BADLY

Approaches Cuba to Replenish Acute Shortage

Special

LISBON, May 26.—The Mexican Government is trying to buy ships from Cuban owners in order to maintain traffic between the Yukatan Peninsula and the rest of Mexico, President Manuel Avila Camacho of Mexico declared recently, according to a dispatch from Mexico City.

"Mexico's transport system is in bad shape as a large number of American ships, which used to dominate Mexican shipping, have been withdrawn from Mexican waters and are now employed elsewhere in the service of the United States Government he stated."

Radio Program

Subject to Change Without Notice

Regular Program (Weekdays)

NEWS: 6, 7 a.m.; 12, 3, 5, 7, 9 and 10 p.m.
TIME: 7 a.m.; 12, 7 and 10 p.m.
Radio Exercise: 6:20, 7:50 a.m.; 2:30 p.m.
Market Report: 11:30 a.m.; 4:30 p.m.
Music for workers: 2:30 p.m.
Program Announcement: 5:50 p.m.
Juvenile Hour: 10:00 a.m.

Thursday

— Morning —

6:30 Serial Talk, "The History of Japanese Naval Battles," by Vice-Admiral Yoshijiro Hamada; Poem Recital.
7:00 Time; News; Orchestra: Wagner's Compositions.
9:00 Wartime Housekeeping Hour: Talk on "Training of Listening," by Dr. Juichi Ohata.
10:00 Juvenile Hour: Drama, by Azabu Children Society.
11:00 National School 4th Class Hour: Talk, "March With Souls," by Sueo Abe.

— Afternoon —

12:30 The Greater East Asia Orchestra Band.
1:00 Narration: "The Naval Landing Forces," by Announcer Uyeda.
2:00 National School 7th and 8th Class Hour: "The War and Science," by Hidenobu Kamiizumi.
4:00 National School Teachers' Hour: Lecture on "Music Lesson," by Kanichi Shimofusa of Tokyo Academy of Music.
5:00 News; Music.

— Evening —

6:00 Children's Hour: News; Talk, "A Life of a Ship," by Koichi Ishii.
6:30 Farmers' Hour: Talk on "Sweet Potato Planting," by Yoshiji Togari, of the Experimental Farm of Agriculture and Forestry Ministry.
7:30 National Chorus: "Summer Has Come," by Japan Broadcasting Chorus.
8:00 Military Hour: Naniwabushi, by Tomoe Kimura.
9:00 News; Drama "A Pair of Red Geta," by Kazuko Shimizu and others.
10:00 Time; Today's War Situation; News; International Broadcast From Rome; "News From Italy."

WAR HEAD REVIEWS BRILLIANT RESULTS

(Continued From Page 3)

regions up to the end of April this year by vessels chartered by the Army, the shipments during the period totaling approximately 700,000 tons. Further efforts will be made hereafter in this connection but it is premature to expect rapid and sharp movements of commodities in the near future.

"The whole nation is requested to cooperate with the Government so that the present war will end in our favor. Although a general exodus of the people in the homeland had been hitherto restricted by the Government, those deemed necessary for reconstruction of the area will be dispatched henceforward after due consideration.

"Whether or not we succeed in the establishment of a new order in the occupied areas has much to do with the final outcome of the War of Greater East Asia.

"While directing its unreserved efforts in this direction, the Army considers it necessary for the nation to devote its total strength in the accomplishment of the task and therefore, it expects wholehearted cooperation from the various sections.

"The above is a gist of the conditions in the southern regions. While our Army is displaying activity in the south, our Forces in China have been continuously engaged in the suppression of Communist armies and the annihilation of the central army at various points, blasting air bases and delivering death blows on every occasion.

"As already reported our Forces on the China front, our Units are active on the Hopei and the Chekiang fronts and our operations are being carried out without a hitch. Peace and order is being gradually restored and economic construction is making progress in the occupied zone.

"Some time ago General Sun Liang-cheng and others joined the Nanking Government as the result of their coming to understand the newly established conditions in East Asia. This is a fact still fresh in our memory.

"Thanks to the ever-increasing efforts by the Japanese Forces in Manchoukuo who are now proceeding with the achievement of their duties in defiance of various difficulties, the national defense in the northern regions is perfect while other units in the Japanese Empire are fulfilling their duties as the remaining forces in perfecting national defense.

"Japan Proper, for the first time, was subject to air raids by American planes on April 18 as already announced in a joint communique issued by the Army and Navy authorities. However, thanks to the calm and cool attitude of the people, damage caused by the air raids was very slight. We cannot but sympathize with those who suffered from the raids. Air raids are inevitable in modern war. Therefore, it is an urgent necessity to face the situation with a calm and cool attitude in such case on the one hand and to redouble efforts for perfection of air defense by utilizing the experiences gained through the previous air raids, on the other.

"Taking this occasion I wish, herewith, to make public the combined war results gained up to May 16. During the period under review, 290,000 war prisoners were taken by the Imperial Forces. The trophies gained by the Imperial Forces in the same period included 3,500 guns and cannons, 300,000 rifles and machine-guns and revolves, and 45,000 tanks, automobiles and other rolling stock. Meanwhile 1,800 enemy planes were either shot down or destroyed.

"On the other hand, the Imperial Forces up to the end of April, suffered 9,000 killed and 20,000 wounded. On a whole, the condition of our Forces is proving satisfactory. According to statistics, there were 83 epidemic cases in December, 277 cases in January, 137 cases in February and 262 cases in March. These figures eloquently speak of the satisfactory health conditions of our Forces.

"In conclusion, I wish, herewith, to express profound condolence to those who sacrificed themselves to the cause of the State and to extend deep sympathy to the wounded soldiers. At the same time I wish to express hearty thanks to the people for their warm support.

UNSHAKABLE STAND EXPLAINED BY KAYA

(Continued From Page 2)

been brought into being and is actually starting activity.

"Besides, the establishment of the wartime exchequer was completed in April. Thus, a national structure to meet the special wartime financial requirements has been established. The exchequer will also be made to serve in financing the funds necessary for the equipment of machineries needed for shipbuilding too.

As for America, it was thrown into consternation as a result of the tremendous setbacks it suffered at Pearl Harbor at the hands of the Imperial Japanese Naval Forces, forcing a right-about face from peace industry to wartime industry. President Roosevelt, fearing that vicious inflation will inevitably result from the sudden increase in war expenditures as well as from the repeated reverses America is suffering in the current war, on April 27 presented a special memorandum to Congress asking for increased taxation; stipulation and adjustment of profits, commodity prices and labor wages; lowering of the standard of cost of living of the nationals; adjustment of the organs for distribution of the necessities of life; increasing of the national savings; as well as for encouraging the nationals to purchase more of the wartime bonds. And as he announced that such is a most appropriate and pertinent wartime economic policy to be followed by the United States, a great panic and confusion resulted in the financial circles, and the price of the New York share made a sudden slump to the low price which had prevailed in 1934. Not only this, but according to a report from the United States reaching here recently, it is said that the market price of the Washington national bonds has dropped the lowest in the last seven years.

"Japan, since the outbreak of the China Affair, has gradually adjusted its economic and financial structures and put them on war-time basis and has seen that all its nationals have ably tided themselves over all difficulties for more than four and half years. Compared with this, America's consternation and pertubation are most miserable and pitiable.

Stresses Further Efforts

"It is nevertheless advisable to abstain strictly from holding the enemy in contempt, and to strive ever so vigorously to perfect our preparation. In ensuring the existence of the Japanese Empire by bringing about a successful consummation of the War of Greater East Asia and simultaneously, to construct the Greater East Asia Co-Prosperity Sphere and to develop further the sphere thus established, it is necessary for the Japanese people to exert efforts in future also in the financial and economic fields.

"With reference to various plans, it is essential to expand their conception and to give greatest care in putting into practice these plans most appropriately, holding at the same time an indomitable power of execution.

"I am confident that the object in view can be accomplished with the united front and the iron will of the 100 million people of Japan.

"In conclusion, I wish to express my hope that a whole-hearted support will be given immediately to the budget which is to be submitted to the Government."

BRITISH COMMUNISTS MEET

Mass Gathering Demands Formation Of a Second Front

D.N.B.

STOCKHOLM, May 25.—It is reported from London today that a Communist mass meeting, attended by some 30,000 persons, was held at Trafalgar Square.

The meeting was the largest ever to take place at Trafalgar Square and the demonstrators urgently demanded the formation of a second front.

Meanwhile, a British news service report announces that a deputy in the House of Commons has appealed to the Government to "urgently start the invasion of the Continent."

Penelope Badly Hit

D.N.B.

ROME, May 25.—London now admits that the British cruiser Penelope, at present lying in the naval port of Malta, was severely damaged by Axis bombers, reports the Stefani news agency from Lisbon. The captain of the cruiser is reported to be seriously wounded.

Fuehrer Felicitates Argentina

D.N.B.

BERLIN, May 25.—On the occasion of Argentina's Day of Independence, the Fuehrer wired Vice-President Dr. Ramon Castillo his and the German Government's best wishes.

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BIG SCALE LOTTERY PLANNED IN SHONAN

Sale of Tickets Will Absorb Excess Funds Floated Before Island Fell

ROUND-TABLE MEETING

Economic Problems Discussed Regarding Effective Measures For New Structure

Aimed at the two-fold purpose of increasing revenue and absorbing superfluous purchasing power dumped on the Malay market just prior to the fall of Singapore, the Finance Bureau of the Japanese Military Administration in Malaya will conduct a $1,000,000 lottery in Shonan City with sales of the dollar lottery tickets to commence shortly on a grand scale, according to Domei.

The grand prize in this lottery, which is restricted to Shonan City, will be $100,000, followed by a second prize of $50,000 and a third of $10,000. The lottery tickets will be issued at the special Shonan City Hall, the Yokohama Specie Bank and the Taiwan Bank branch offices.

Excess Cash Floated

Huge amounts of capital sunk into the defense of Singapore by its defense authorities in last minute efforts, coupled with runs on the banks by overseas Chinese merchants who withdrew their funds on the eve of the fall of Singapore had flooded the financial market with excess floating money.

Superfluous money, moreover, in the form of wages paid out months in advance by the municipality, firms banks and stores to their employees have been left outstanding.

The lottery is expected to do much toward absorbing these excess funds, adds Domei.

For New Shonanto

In order to discuss effective measures to construct a new Shonan Island, a round-table conference was held there Monday afternoon between representatives of the Japanese military authorities and Chinese merchants residing in Shonan City, a Domei dispatch reports.

Free discussions were held between the representatives chiefly on matters relating to economic problems, it was learned.

Representing the Japanese side, the chief administrator of the Japanese Army in Shonan Island, asserted before the conference that the Japanese Army authorities, with responsibility, will extend all possible means to protect the activities of those Chinese merchants who faithfully observe the fundamental Japanese policy regarding economic construction of Shonan Island.

The Japanese chief administrator then expressed his earnest desire to proceed for the construction of Shonan Island in perfect harmony with the Chinese people, further adding, that the Japanese military authorities have no desire whatever to oppress the Chinese merchants.

Then, the representatives of Chinese merchants, after explaining the condition of their economic revival, expressed their strong determination to do their best as the men responsible for the construction of Greater East Asia.

BRITAIN'S PAPER ADMITS LOSS OF FOREIGN TRADES

Resulting From Reverses of British in East Asia Says, 'Financial News'

The Financial News, a British paper, frankly admits the decisive setback of the position Britain has hitherto occupied in her foreign exchange market by reason of her successive defeats in East Asia, according to a Domei correspondent from Lisbon.

The paper made the following comments:

"Nobody will be able to gainsay the serious consequences to our foreign exchange market resulting from the reverses of our forces in East Asia. Up till the end of last year Britain had been able to check an excess of imports from America over exports to the same country by keeping up the exports of tin and rubber from the British colonies in the East to America. But now that these colonies have fallen into Japanese hands, Britain is no longer able to maintain this revenue or to export these products to America."

BOND TERMS ANNOUNCED

Industrial Bank to Float Debentures In June

The Industrial Bank of Japan announced Monday the terms of four debentures to be floated on June 20 including those of the North China Development Company, Hitachi Engineering Works, Yalu River Hydro-Electric Company and Welfare bonds, according to Domei.

The terms announced by the Industrial Bank follow-

Debentures	Interest rate per annum (pct.)	Redeemable years
N. China Development Co. ..	4.2	12
Hitachi Engineering Works..	4.3	10
Yalu River Hydro-Electric Co.	4.3	12
Welfare Bonds	4.4	10

Role of Control Agencies Explained by Kohei Goshi

The various control associations organized for key industries of Japan are not expected or intended to replace the Administrations concerned, nor are they to be considered a mere legalized extension of the existing industrial cartels or guilds but assume a middle-of-the-road policy to bring harmony between the existing cartels and the Administrations, it was pointed out by Kohei Goshi, a well-known figure in economic circles of Japan, in the May edition of the Jitsugyo-no-Nippon or Business Japan.

The writer also sees signs that the industrial control associations are going to play an important role in the development of natural resources now under Japanese military administration. Mr. Goshi writes in part:—

Already 12 control associations have been organized for Japan's key industries, and at the recent conferences held between the leaders of the Control Associations and the Commerce and Industry authorities and with leaders of the Army and Navy, the policy of the Government to transfer industrial control powers of the Administrations to the Control Associations was made plain.

While the period between the latter part of last year and the end of the first quarter of this year may be considered the embryonic period of the control associations, they may now be considered to have chipped out of the shell.

Complete Wartime Structure

On the other hand, monetary control associations have already been formed, and control associations for light industries, such as rubber, fat, chemical, leather and filature industries are also expected to be organized in the very near future, thus practically all the industries of Japan, both heavy and light, will have been thrown into the melting pot of wartime structure at no distant date.

Then what are the duties of the various control associations? Some people may laugh at this elementary question, but there are people who are laboring under the misapprehension that these control associations are vicarious organs of the Administrations, and that perfect transfer of powers to control associations means investing in the control associations all the administrative powers of the Administrations concerned. At the back of this mistaken notion is working the erroneous idea that the control associations are going to take the place of the Administrations. By this logic, when the control associations are entirely completed, the various administrative organs of the Government would become unnecessary.

This is a gross mistake, and even if the control associations become full-fledged, the administrative organs of the Government concerned will not become unnecessary. The transfer of administrative powers of the Government to the control associations does not mean the transfer of all the powers at present held by the Administrations, and even when the control associations become full grown, there should be a distinct line of demarcation between the work of the control associations and the administrative function of the Government, for if the control associations had been organized for the purpose of vicariously doing the work of the Administrations, that would have meant carrying coals to Newcastle, and there would have been no need to organize the control associations at all.

In the past the various administrative organs have been doing control work which was really beyond the sphere of their activities, and this part of their work should be turned over to the control associations, and however strong the control associations many become it is plain that the administrative organs of the Government cannot afford to turn over such powers to control associations as rightly belong to the former. Unless one has a clear idea of this fact, he is liable to be confused in regard to the true mission of the control associations and their sphere of activities.

Danger of Misunderstanding

On the other hand, some people regard the control associations in the light of an extension of the existing industrial cartels or syndicate but with a legal backing, especially in view of the fact that the cellulose industry and the financial industry have influential syndicates, some are liable to jump to the hasty conclusion that such industries can do very well without the control associations, but such an idea is born of the notion that the control associations are a mere extension of cartels or syndicates.

Such conception as aforementioned is also a gross error, because the necessity for the organization of the control associations has arisen from the fact that the bureaucratic control over industries has already reached a deadlock and it has already become impossible for the existing cartels and syndicates to cope with new industrial situation created by the world upheaval which is now demanding a new system in the industrial field. Were the existing cartels and syndicates able to tackle successfully the new situation, control associations would be superfluous. The existing cartels or syndicates cannot be expected to take on new junctions simply by the process of changing their system or placing a legal backing to them.

Abstractly, the control associations are neither Government offices nor cartels, but are strongly tinged with a public color, and at the same time they should have the potentiality of cartels. In this respect they are quite different from the industrial organizations in Germany. Thus the control associations harbor two different characteristics, and these different characteristics do not necessarily harmonize. In fact, some economists say that these two characteristics, namely, the public and private, are not compatible, and that the control associations must either become public organizations or private. However, in the harmonizing of these two different forces lies the new conception and function of the control associations.

To Bolster Production

Article 4 of the Key Industries Associations Ordinance reads: "the control associations shall exercise synthesized control over the industries concerned and cooperate with the formulation and conduct of State planning of the industries concerned for the sole purpose of developing to the highest efficiency the total economic forces of the nation." Therefore, it is unnecessary to expatiate that the essence of the control associations lies in the mobilization of the total economic forces of the entire nation.

More precisely, it resolves into the question of bolstering up the productive power of the nation, while from the standpoint of industrial control the deployment of voluntary control of industries with the technical knowledge of private industrialists should be the pivot around which the control associations should function, because the total economic forces of the nation cannot be expected to be fully developed through compulsory or supervisory control.

Thus viewed, the character and the cardinal points of the work of the control associations will become quite clear. Therefore, the initiative and creative spirit of the private industries must form the core of the activities of the control associations, and while the control associations are quite different in nature from the existing cartels, the autonomous character of the existing cartels should be strongly reflected in the control associations. Accordingly, in a way the control associations can be regarded as a sort of national policy cartels. In deliberating upon the various problems of the control associations one should have a clear understanding of the nature of the control associations, as outlined above.

Changes Needed

The Key Industries Associations Ordinance which is the springboard for the control associations was promulgated before the outbreak of the War of Greater East Asia, and for this reason one may observe that, in view of the fact that the southern economy has now been placed in a different relationship vis-a-vis Japan in consequence of the development of the War of Greater East Asia, the ideas and thoughts regarding the control associations should of necessity undergo a change.

While the programs of the control associations might change in keeping abreast with the development of the War of Greater East Asia, this does not to any means change the character of the control associations, for the outline of the new economic structure and the Key Industries Associations Ordinance were formulated in anticipation of the development of the War of Greater East Asia, though it is true that there was a time element in that the War of Greater East Asia has achieved unexpectedly big results before the control associations have had time enough to make the necessary preparations. In other words, the control associations have been encumbered with the task of developing the natural resources in the southern regions before they have become full-fledged.

The Government policy toward the control associations in connection with the development of the southern economy has not as yet been made quite clear, with the exception that Lieutenant-General Teiichi Suzuki, President of the Cabinet Planning Board, recently stated that in the selection of industrialists for the development of natural resources in the southern regions, the opinion of the control associations would be sought, thus revealing that the Government's policy in this connection is still very negative.

However, as the development of the southern economy makes progress, there is no doubt that the relations between the southern economy and the control associations will be "closed up" in the screen of the Greater East Asia Economy. As a matter of fact, signs of this are not wanting, for the Nikkan Kogyo recently reported that although Mitsui Mining Company, Mitsubishi Mining Company and Azabu Mining Company have been chosen for the development of coal mines in Sumatra, Malaya and Borneo respectively, it was decided that in future the Coal Control Association should exercise coordinated control over development of coal in the southern regions.

'THREE STAPLES' TO CLOSE

To Dissolve After Its Regular Directors' Meeting on June 2

The Osaka Sampin (Three Staples) Exchange is expected to dissolve itself shortly after its regular directors' meeting scheduled to be held on June 2, it is understood by Domei.

The Three Staples Exchange has suspended transactions since the close of October, last year, due to the growing depression of the exporters of cotton goods.

It is reported that the management of the Exchange apparently considers it meaningless to keep the exchange in existence without any actual transactions until March, 1944, at which time the present Government license expires.

The sampin exchange deals in raw cotton, cotton yarns and cotton cloths.

LEADING SHARES UP ON TOKYO EXCHANGE

Atmosphere of Market Cheerful at Report of Contemplated Raise of Dividends

A cheerful atmosphere was witnessed on the floor of the Tokyo Stock Exchange due to the survey of our naval victories in the War of Greater East Asia as revealed in the extraordinary session of the Imperial Diet, in commemoration of Navy Day observed Wednesday, combined with the encouraging report that the Tokyo Stock Exchange has informally decided to raise its profit dividends from the previous rate of 6.5 per cent to 7.2 per cent per annum for the current semi-annual, business term. In view, however, of the steady rise for many days on end, dealers were visibly cautious in transactions as is usually the case at the month end.

Due, however, to selective buying observed among dealers, some of the leading wares continued to rise. In the long-term section, for instance, Japan Carbon rose by ¥1.10, Okinawa Sugar by ¥1.70, Teikoku Fiber by ¥1.00, Kanegafuchi Spinning, new by ¥1.10, Tokyo Rayon by ¥0.80, Teikoku Rayon, new by ¥0.60, the firm tone of textile industries being attributable to the unchanged rate of dividends of the Kanegafuchi Spinning Company for their current semi-annual business term.

Setting aside a noticeable gain in the wares of shippings and Kanegafuchi Industrial, the spot sections as well as the short-term sections remained calm alike in the morning and afternoon sessions.

Afternoon closing quotations of the key wares in the short-term section are as follows: Tokyo Exchange, new ¥135.70, N.Y.K., new ¥90.90, Kanegafuchi Spinning ¥152.60 (ex dividend of 18% per annum), its new ¥97.00 (ex dividend of the same rate), Teikoku Rayon, new, ¥89.70.

Long-Term Market

Long-term market prices in yesterday's morning session were:

		Clos.	May	June
First Section				
Fuji Spinning (50)				65.9
Kanegafuchi Sp. n. (25)			97.2	97.2
Toyo Rayon, new (50)				71.9
Second Section				
Do. new (37½)		90.7	u 1	91.9
Tokyo Stock, new	136.3	136.5	135.9	135.7
Third Section				
N. Y. K. old	105.5	105.7	1005.5	....
Do. new	91.2	91.2	91.1	90.9
Kanegafuchi Spin.	152.9	152.9	152.9	152.6
Do. new	97.1	97.1	96.9	97.0
Teikoku Rayon, n.	89.5	89.5	89.3	89.7
Osaka Stock, new		73.8	73.7	73.6
Japan Steel Tube	73.4	73.5	73.4	73.1
Japan Oil	78.7	78.7	78.6	78.7
S. M. Railway	70.3	70.4	70.4	70.3
Mitsubishi Heavy	108.7	108.7	108.7	108.7
Hitachi Works	74.7	....	....	74.6
Manchuria Ind	60.2	60.2	60.2	60.2
Kanegafuchi Sp. n (25)			....	98.0
Tokyo Rayon (50)			42.8	42.9

Government Bonds

Government bonds spot prices yesterday afternoon were.

Kogo 5%	107.10	107.10	107.10	107.10
Second 5%	107.05	107.05	107.05	107.05
First 4%	103.00	103.00	103.00	103.00

Short-Term Market

Short-term prices yesterday afternoon were:

	Open	High	Low	Clos.
N. Y. K. (50)		u .2	....	107.2
Do. new (37½)		u .4	....	92.2
O. S. K. (50)		u1.1	....	95.5
Do. new (37½)		u .4	95.5	....
Do. new (25)			54.0	54.5
Ishikawajima S.B. (50)			81.5	....
Uraga Dock (50)		u .1	....	98.6
Mitsubishi Heavy			81.1	....
Hitachi Works (50)		u .2	75.0	75.8
Japan Fat			....	68.2
Japan Piston Ring		u .5	....	78.2
Japan Carbon			90.0	90.5
Japan Automobile Ind		u .1	....	73.9
Kotobuki Heavy Ind		u .2	64.9	65.9
Japan Soda		u .3	39.1	39.9
Japan Oil			....	79.6
Furukawa Industry			....	119.9

TOKYO BANKS ACCOUNTS INCREASING NORMALLY

Advance of ¥41,000,000 Noted Compared With Figures of Preceding Week

Reflecting the normal trend of the monetary market, the deposits with member banks in Tokyo as at the end of last week ending on May 23 totaled ¥11,517,000,000, representing an increase of ¥41,000,000 compared with the corresponding figures at the close of the preceding week, May 16, the Tokyo Clearing House revealed Tuesday, according to a Domei report.

The valuable securities possessed by the member banks aggregated ¥9,163,000,000, up by ¥186,000,000 compared with the preceding week, while the loans totaled ¥8,825,000,000, receding by ¥18,000,000, the house survey disclosed.

Details of the accounts of member banks at the end of last week follow:

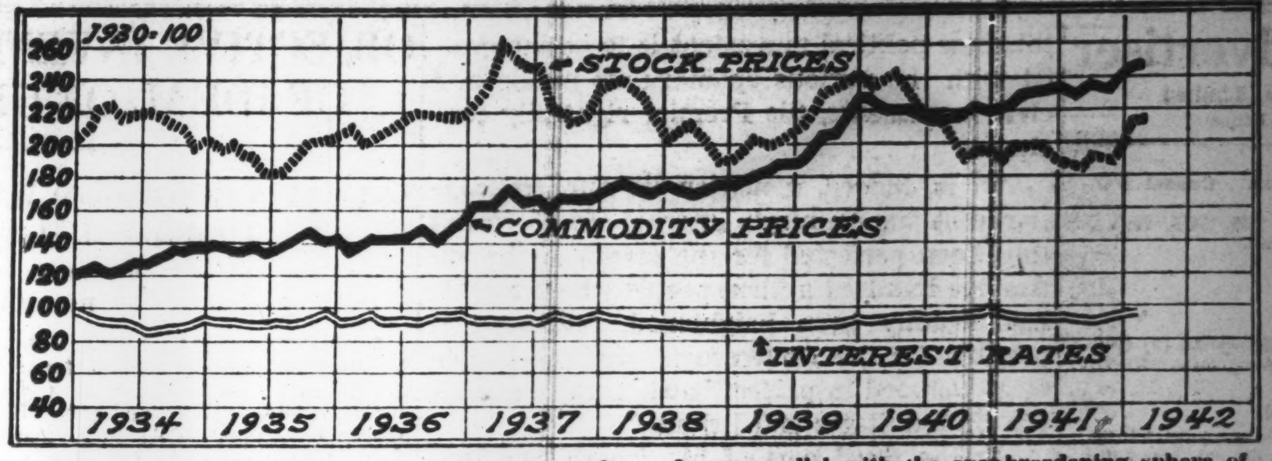
Accounts of Tokyo Member Banks As on May 23

	May 23, 1942	Comp. with May 16,'42	
Deposits:			
Current deposits	1,273.116	d.	14.240
Sp. current deposits	1,841.879	u.	12.112
Deposits at call	1,625.0508	u.	44.836
Fixed deposits	4,420.342	u.	21.618
Other deposits	776.312	d.	32.398
Ordinary and deferred deposits	1,145.299	u.	8.406
Fixed reserves	435.142	u.	885
Total	11,517.148	u.	41.219
Loans:			
Discount bills	2,678.430	u.	17.002
Loans on bills	4,741.351	d.	13.651
Loans on securities	906.747	d.	19.461
Current overdrafts	499.174	d.	2.625
Total	8,825.702	d.	18.735
Valuable securities in hand	9,163.553	u.	186.770
Coal loans	5,453.980	d.	37.130
Cash and deposits	343.147	u.	23.402

Bill Clearings

May 27 (In ¥1,000)

	Tokyo	Osaka
Bills Cleared	244.262	163.498
Balance	31.596	32.849



The above chart shows a comparative survey of fluctuations that have been observed in prices of stocks and general commodities during the past nine years. The business depression, characteristic of the removal of the gold embargo over a decade ago, was subsequently followed by an upward trend in stock prices as well as commodity prices due to the remarkable expansion of industries in Japan parallel with the ever-broadening sphere of economic influence in Greater East Asia. Noteworthy, however, is the fact that stock prices remain at a normal level in contrast to the comparative rise in commodity prices, which signifies the healthy development of the nation's economic structure.

BANK NOTES QUOTED FOR SHANGHAI PRICES

Central Reserve Bills to Be Used for Stabilizing Commodity Buying

The Central China Liaison Office of the China Affairs Board in Shanghai, announced Tuesday that in future all the principal restaurants, cinema theaters, silk, cotton and woolen firms in the International Settlement shall quote prices in terms of the notes issued by the Central Bank of China, according to a Domei dispatch from Shanghai.

This new ruling took effect from Tuesday for restaurants and cinema show-houses, while for silk, cotton and woolen textile firms the new ruling was effective from Wednesday, the announcement said.

Considering the fact that the new figuring on the standard of value in terms of the notes issued by the Central Reserve Bank of China is based on the ratio of 1-2 between the new and the old legal tenders, it is generally considered that the prices will be fixed at a reduction of 50 per cent of the quotations prevailing on May 25 in terms of the old legal tender.

In order to realize stabilization of prices the authorities here decided to have these merchants quote their prices in terms of the Central Reserve Bank notes.

Notes to Stabilize Price

The prices of foodstuffs, such as rice, wheat and bread and raw cotton are already being quoted in terms of the Central Reserve Bank notes, while sugar, edible oil and tobacco are transacted in terms of the Japanese military scrips, and the fact that department stores, restaurants and dry goods stores which have a great bearing upon the daily life of the people here are now made to quote prices in terms of the Central Reserve Bank notes will, it is generally considered, serve to stabilize the commodity prices in Shanghai.

In this connection it is recalled that the authorities here issued regulations effective May 24 for all department stores, hotels, apartment houses and restaurants to make charges in terms of the Central Reserve Bank notes, and the new ruling is said to have been made in view of the good results obtained by the aforesaid experimental measure.

In view of the fact that the value of the old legal tender of the Chungking Dollar has been tobogganing since last week, showing a slump of almost 35 per cent in one week, and in view of the consequent rise in the prices of commodities in terms of the Chungking Dollar, the new ruling of quoting prices in terms of the Central Reserve Bank notes will serve to stabilize commodity prices in Shanghai, especially so as the Japanese military scrips are linked to the Central Reserve Bank notes at the rate of ¥18 in terms of 100 Yuan.

Rainfall Means Floods

Precipitation in Manchoukuo is about half the amount in Japan, but some 60 or 70 per cent of the annual total occurs during the three months of June, July, and August. The concentration of rainfall, however, means floods, a fact which at once calls for and creates difficulties for, riparian improvement. The central authorities controlling rivers and river works are of course the Department of Communications, which is cooperating with local authorities regarding the preservation and maintenance of waterways, as well as the execution of riparian works. Of such works, the Liao River improvement scheme and the drainage works, etc. on the Sungari (near Shanhsing) are most important. Manchoukuo rivers and lakes provide immense hydraulic resources, which are now being steadily developed.

Need for Establishing Textile Autarchy In Co-Prosperity Sphere Urged by Paper

Emphasizing the need for establishing an autarchy in textiles in the East Asia Co-Prosperity Sphere, the Chugai Shogyo predicts realization of this ambition in the major textile products, viz., cotton, hemp and wool, if proper guidance is extended to the parties concerned according to the present state of resources in the various areas of production. The paper goes on to say:

Cotton

"For a time our textile industries were seriously handicapped as the imports of raw cotton, wool and other raw materials were interrupted following the freezing of assets effected by the countries concerned in July last year.

"However, the Japanese forces have scored a series of signal victories in the South, permitting enterprisses to extend their trade into these regions. It is a pity that the peoples in these areas do not produce enough fabrics to meet their own demand. It necessarily follows that Japan is obliged to supply them with textiles.

"It will be remembered that the nine major areas of consumption in East Asia, viz., China, Manchoukuo, Thailand, French Indo-China, East Indies, Philippines, Malaya, Hongkong and Burma imported during 1937 aproximately 3,000,000,000 square yards of textile products. Of this, 2,000,000,000 odd square yards are supposed to have been consumed in these areas, and the balance probably reshipped to other areas. This total nearly equals the total volume of cotton that Japan annually exported prior to the outbreak of the China incident.

"In 1939 the production of raw cotton in the co-prosperity sphere amounted to 7,830,000 piculs, which means of a fall of about half as compared with the production in 1936 of 15,380,000 peculs. This is ascribable to the drop in production in China. So long as it behooves us to meet the demand in the co-prosperity sphere, it is advisable to uphold an annual production of 18,000,000 piculs at least, and an additional 2,000,000 piculs if Australia should require similar products from the co-prosperity sphere.

"It is necessary, therefore, to restore the productive capacity of raw cotton in China to the level it had attained before the outbreak of the China incident. It is equally necessary to boost the production not only in the southern areas but in Manchoukuo and Chosen as well.

Hemp

"Fiber resources usable for textile products are comparatively limited was quoted as 350,000,000 lbs. In 1939, for instance, the total output was quoted as 350,000,000 lbs. In spite of the gradual increase in subsequent years, and of a gain of from 30 to 40 per cent now observed as compared with 1939, military requirements and the ever-increasing demand among the peoples in the co-prosperity sphere are offsetting this gain.

"In view of the comparative ease in the cultivation f hemp in contrast to cotton, and of the geological advantage in the Philippines, it is expected that, under proper guidance, a marked advance in hemp output will be realized in the future.

Wool

"The output of wood in the co-prosperity sphere during 1939 fell far short of the demand. Manchoukuo, Mongolia and China are yielding fair quantities of wool, it is true; but their quality is poor as compared with Australian wool. Unlike vegetation, it takes a long time to realize any noticeable increase in wool output. Thus it is felt necessary to boost wool in the newly occupied areas so as to insure excellent mixtures of staple fiber products.

Radio Stations Increase

Radio broadcasting and radio telegraphy in Manchoukuo are in the hands of the Manchuria Telephone and Telegraph Company. The number of broadcasting stations has increased from 4 to 15, and the registered listeners from 8,000 to 230,000. The important stations broadcast by a dual system, contributing much to social culture.

Closing Quotations Of Key Local Bonds, Stocks, Commodities

Closing prices of key local stocks commodities and bonds yesterday on the Tokyo, Yokohama, and Osaka exchange follow, in yen:

		Comp. with prev. day
Tokyo Exchange, new, short-term	135.7	— .70
N.Y.K., new, short-term	90.9	— .30
Kanegafuchi Spinning, new, short-term	97.0	— .90
Government bond, Kogo 5s	107.10	Same

15 DEBENTURES IN MANCHOU

The Industrial Bank of Japan on Tuesday announced the terms of the 15 debentures to be floated by the Manchurian Industrial Development Company on June 10, reports Domei.

The debentures will carry an interest rate of 4.3 per cent at par per annum and will be redeemable within 12 years, according to the announcement by the industrial bank.

Of the total amount floated, ¥12,000,000 will be opened for public subscription, the announcement added.

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TOKYO, THURSDAY, MAY 28, 1942

Premier Tojo's Speech

It is indeed a reason for congratulations that each time Premier General Hideki Tojo has occasion to address the Imperial Diet, he is able to present a message of good cheer. In his speech before the Diet yesterday, his review of the state of the nation was one which is bound to encourage and strengthen the nation. To be sure he gave voice to no particularly new or unique ideas, but the fact that no startlingly new revelations were made is a most eloquent proof of the fact that things are proceeding most satisfactorily for the Japanese Empire. What greater contrast could there be than that between Premier Tojo's matter-of-fact recital of well-known facts and the frenzied oratory of Churchill and Roosevelt who are forced to cover up with their vocal eloquence the sad story which the naked facts would disclose!

Premier Tojo's speech of yesterday covered four main topics. First was his review of the general military situation as it had assumed shape since the occasion of his last Diet address. The second portion of his speech dealt with the developments in the internal political situation in Japan. The third dealt with the vital economic conditions of the country since the outbreak of the present war. The final section dealt with Japan's foreign relations, both with respect to friendly and neutral nations and with respect to enemy countries.

As to the first section of the address dealing with the military situation, the information must have been for the most part familiar to the majority of the Japanese people who have naturally continuously been following the fortunes of the conflict most closely. But it is reassuring to hear from such a high and unimpeachable source the confirmation of the extent of the unprecedented victories won by the Imperial Forces. The entire nation gratefully joins with the Premier in rendering tribute to the fighting men at the front and to the spirits of those who have made the supreme sacrifice. The nation also thoroughly supports the Premier in his declaration that Japan will never relax her inflexible determination to continue the struggle until the final defeat of the enemy.

In the second part of his speech, the Premier went on to explain that "in order to realize a radical enhancement of our total national strength so as further to reinforce our country's position for certain victory," the Government has been carrying out various plans for fulfilling its responsibilities of assisting the Throne and meeting the trust of the people. It was in this spirit, he said, that the Government recently dared, in the midst of the conduct of a stupendous war, to hold a general election.

The wisdom of this daring step has been vindicated by the results, according to the Premier. "With the recent general election as a turning point, the surging tide of patriotic enthusiasm of the people developed into an all-engulfing trend directed toward the complete prosecution of the war as well as the firm establishment of a political structure for assisting Imperial rule. This trend pervaded all corners of the country. These spontaneous political desires and aspirations of the entire nation have ultimately found their concrete expression in the organization of the Yokusan Seiji-kai or the Imperial Rule Assistance Political Association. Thus an organization embodying a new and vigorous political influence has been consummated, fulfilling many years' aspirations of the whole nation—a source of profound congratulation for the sake of our Empire."

Such an announcement of the latest internal political development of the nation is cause for renewed confidence in the political health of the Japanese State despite the strain of unusual wartime endeavor. After giving a few more details as to the way in which this new political movement is to be integrated with the various spontaneous public and civic movements, the Premier rightfully concludes:

"It is, indeed, a matter for our gratification that our country's internal structure has thus been perfected for the march of the entire one hundred million people whose morale has steadily been heightened, rendering it possible for the Government and the people to go forward in perfect battle array to crush the United States and Britain."

In the third part of his speech, the Premier's account of the economic condition of the nation was equally assuring. Whereas in the past, Japan has been dangerously dependent economically on Britain and the United States with the result that Japan has felt constantly restrained and menaced by these Powers, such a restraint has ceased to be. The efforts toward economic self-sufficiency which the Government had been carrying out since the outbreak of the China Affair has succeeded, as evidenced by the firmness with which Japan has withstood the economic strain of the present war. Not only has Japan successfully withstood the strain; as a matter of fact, the war has actually greatly strengthened the economic position of the country. Whereas our enemies are finding themselves crippled economically as the result of the war, Japan, through the acquisition of important resources in the South, has actually become stronger.

But the Government, according to the Premier, is not content with these economic achievements, great as they are. To facilitate even more the speedy prosecution of the war, the Government has made definite plans to utilize these resources and the productive powers of the nation according to a comprehensive and scientific set of plans. Accordingly, there is no cause whatever for any apprehension regarding the people's livelihood in the future however long the war may last, is the welcome assurance of the Premier.

The Premier's review of the state of Japan's foreign relations completes the happy picture. Japan, Manchoukuo, China, and Thailand, sharing the same views, are steadily growing more cordial in their mutual relations. The present visit of His Imperial Highness Prince Takamatsu to Manchoukuo, the visit of President Wang Ching-wei of the National Government of China to Manchoukuo, the visit to Japan of the Special Ambassador from Manchoukuo, His Excellency Chang Ching-hui, the recent visit to Japan of Thailand's Special Envoy, Lieutenant-General Phya Phahol Pholphayunha Sena, all attest to the ardent spirit of comradeship among the countries whose destiny it is to construct the Greater East Asia Co-Prosperity Sphere. In another part of the world also, Germany and Italy and other friendly Powers are likewise carrying on a helpful cooperative policy for similarly beneficial objects.

In contrast is the situation in Britain and the United States, where the governments, unable to save themselves by their own efforts, are frantically attempting to instigate India and Chungking to fight on their behalf, while at the same time they are frenziedly resorting to false propaganda to allay the rightful criticism which arises within their own borders.

In view of such a general situation, concludes the Premier, the Diet can proceed with calmness and confidence and dispatch to dispose of the matter of the shipbuilding plan which is the chief work of the present session of the Diet. The nation joins with the Premier in justifiable gratification over this most satisfactory state of affairs.

A Year Ago Today

May 28, 1941

From the Files of Japan Times & Advertiser

Addressing representatives of newspapers and news agencies at his official residence, Premier Prince Fumimaro Konoye stressed the importance of the mission of newspapers to members of the Newspaper League. In his address, the Premier, pointing out that Japan is today confronted with difficulties which are unprecedented in its history, stated that there is a need for taking every possible measure so as to enable the total power of the State to display itself to the highest degree by unifying all factors within the State.

A net increase of some ¥103,000,000 was shown in national postal savings for the past 26 days since the turn of May. The goal for the national savings increase for the 1941-42 period is fixed by the Government at ¥13,500,000,000. The chief engineer of this project is the Deposits Bureau, which cannot rest assured unless it sees at the end of March next year the figure in national savings boosted up to ¥13,500,000,000 which if converted into 10-yen bills and placed end to end, would be long enough to girdle the earth five times, and to cover two-thirds of the distance between the earth and the moon.

President Roosevelt in a nation-wide fireside chat proclaimed a state of full emergency. He also reasserted the doctrine of the freedom of the seas. "We in America will decide whether, when and where American interests are attacked or its security threatened," he declared.

OBJECTIVE INVESTIGATION MADE OF IDEAL OF GREATER EAST ASIA

Concept of Regionalism Which Japan Is Espousing Was Advanced Many Centuries Ago

By AMAR LAHIRI

In the new world which is rapidly emerging the aspiration for co-prosperous living is playing a significant role. To Japan it has become a national ideal and, therefore, it is necessary that its meaning and import should be assessed objectively and subjectively.

Realistically speaking, the conception of co-prosperity is not an original ideal either in Japan or in any other country. In fact, the signposts of world history indicate its age-old existence. Down through the corridor of time this tendency has traveled spontaneously and has remained ingrained in the national life of both Western and Eastern peoples. The human hankering after land and living which has accentuated the struggle for existence and survival of the fittest is the soul of mutual prosperity fellowship. Nations have risen and nations have disappeared, but there has been no change in the competition for living, because it is the only clavis to keep open the door leading toward the broad highway of concorporate living.

The Chronicles of Japan—Nihon Shoki—and the Records of Ancient Matters—Kojiki, lucidly explain the inner significance of the Imperial divinity of the nation. Before the Emperor Jimmu founded the Japanese Empire the Sun Goddess commanded her descendants to adhere to the following instructions:

"The land shall be ruled hereditarily by my descendants . . . and may the Imperial House prosper as long as Heaven and Earth."

With this conception as the guiding principle of national imperiality the first Sovereign of Japan founded a family State and issued the first Imperial Edict which declared: "We shall have to lay the foundation of the capital to develop this country peacefully into a perfect family State; at the same time, this sublime ideal should be spread to the universe, so that disintegrated humanity may be converted into a world family."

Immemorial Ideal

Since this has been the ideal of Japan from time immemorial, it would be utterly valedictory to suggest that its present reassertion of co-prosperous living is divorced from its Tennocratic conception of world familyism. It maintains that the Tenno (Emperor) is continuously wielding the baton of national life to safeguard the existence of his Empire by constantly infusing the spirit of familyism as the mainspring of national unity. Therefore, under the current altered conditions, it avers that the establishment of the projected mutual prosperity sphere in Greater East Asia is essential to the security of the existence and life of the State.

From the economic viewpoint it is seen that Japan, being a "have-not" country and having the largest density of population in the world, feels that its economic existence is dependent on the markets and resources of China and the southern countries. Hence, it has realized that if it were to exist as a Power, it must conclude indivisible commercial relations with these Asiatic units. To that end, it argues that the geographical propinquity and historical and cultural intercourse have sanctioned it the legitimate privilege to evolve a new harmony as a make-weight against Occidental domination.

Ideal Takes Form

Throughout the Meiji Era Japan was confronted with the question of protecting its economic existence as the rising Power in East Asia. Without economic prosperity no nation can maintain a top position. As Japan was fully aware of this reality, it started a vigorous movement to replenish its economic structure as a fundamental weapon of national advancement into contiguous areas. After passing through many vicissitudes its economic nationalism acquired recognizable strength with the foundation of the Manchoukuo Empire. Therefore, the subsequent China Affair and the outbreak of the War of Greater East Asia spurred its determination to create an Asiatic bloc of nations as a reaction to the Anglo-American capitalist-imperialism.

In the world today the policy of regional economy is being advocated by all the front-rank nations. Even those countries which are burdened with undeveloped resources or poorly endowed with resources are agitating to join adjacent regional spheres to better their life and living. So far as Japan is concerned, it emphatically declares that the mobility of its bloc economy is concentrated in its legitimate sphere and that the growth of such economic nationalism is in no way incompatible with the economic idealisms of world Powers. It adds that the Greater East Asia Co-Prosperity Sphere aims at the creation of a concorporate economic zone for the benefit of all races and peoples inhabiting it, so that they will not become victims of capitalist aggression and political domination of outside nations.

New Economy

International upheavals which have upset the long-standing balance of power in the world have accelerated the upsurgence of group economics and politics. The Axis nations comprising Japan, Germany and Italy are now engaged in a protracted struggle to liquidate the politico-economic supremacy of the Anglo-American nations.

The new world order as envisaged by Japan, Germany and Italy desires to reorganize the entire international fabric into component economic regions so as to make each of them self-supporting and self-sufficient as far as possible. This necessarily entails the institution of a planned international economy to maintain reciprocal relations among the regions. Sufficient supplies of all essential raw materials, markets for industrial products, exploitation of undeveloped territories and efficient operation of land and sea routes necessary for the transport and distribution of raw materials and finished goods are the most important tasks. Moreover, competition and struggle between the regions must be avoided in all cases, and capitalism, whether it is individual or State, shall not be permitted to pull the string of the machinery of the government of a component nation or of the regional machinery itself. Tendency toward totalitarian monopoly of the material and economic resources of the group nations should be checked at the outset to suppress the outgrowth of any economic imperialism.

Japanese Leadership

The Italo-German new order in Europe and Japan's Greater East Asia Co-Prosperity Sphere which have included in their scope self-sufficiency economic principle on a non-capitalist exploitation foundation are expected to create a new economic leadership with the willing co-operation and understanding of the participating countries. Their political make-ups would be to formulate measures designed to check refractory political movements without suppressing the natural political ideal and urge of a participating nation, assisting it at the same time to revamp its own political fabric to fit in with the new group spirit.

As Pax Japonica has declared that the Greater East Asia Co-Prosperity Sphere will be a joint politico-economic new deal with Tokyo playing the title role, it can be assumed that the spirit of Asiatic fellowship will contribute its due share. According to it, the realization of co-prosperity means the casting off of colonial and semi-colonial bondage, advancement of Greater East Asia under the leadership of Tokyo, rectification of individualistic capitalism and egoistic centralization, propagation of planned economy to insure organized foreign trade, finance, investments and economic developments and harmonization of bloc livelihood on a basis of regional self-sufficiency.

Popular Delusions

Waving a red flag before a bull will not excite him any more than a rag of another color, for it is merely the strangeness of the unfamiliar moving object, and not the color of the material, that excites the animal. Experiments have been conducted, and it was actually found that bulls paid more attention to white cloth than to red. Doubtless the fact that red is the color of blood has given rise to this fallacy. Possibly also the bright costumes of bull fighters has had something to do with this superstition.

—Of Things Japanese—

PROFESSIONAL STORY-TELLER

By MOCK JOYA

The Kodanshi (professional story-teller) first appeared in the Kwannon Temple grounds at Asakusa, Yedo, and became so popular that many imitated him. All over the country Kodanshi gathered eager listeners to whom they told many tales of battles and history in a most interesting and amusing manner.

The real pioneer in this trade was Ginnan-Osho (Ginko Tree Priest) whose real name was never known. He appeared every day under the big Ginko tree in the compounds of the Asakusa Kwannon Temple, and there he told various historical stories while his listeners tossed him many coppers.

However, before he became really famous, he was chased out of the Temple grounds by a better story teller. The newcomer was Shidoken who was generally considered as being the pioneer story-teller, as it was really this man who popularized Koshaku and developed the new art of story-telling.

Shidoken was a son of a farmer of Kyoto. At the age of 12 he entered a Buddhist temple. But soon he became disgusted with the temple life. When he was 20 years old he ran away to Yedo, where, before long, he found himself without any means of earning his daily rice.

One day he came to the Asakusa Kwannon Temple, and saw Ginnan-Osho telling his tales. Shidoken thought that was an easy trade that could be started without any capital, and he immediately sat down under a pine tree nearby and began to tell his own stories of history. He did not tell merely ancient tales, but added to them his own opinions and humorous remarks. A larger crowd gathered around him than around Ginnan-Osho. Soon Shidoken was able to chase out the real pioneer, and his audience so increased that he had to erect a simple platform upon which he sat to tell his stories.

Until the age of 83, he continued his story-telling, and he became one of the most famous figures in Yedo. He died in 1765, but before his end there appeared many others who followed his example and became Kodanshi.

LITERARY CLASSICS OF ASIA

Indian Dohras

(Peasant Poetry)

The following selections give the real meaning to the "spirit of India," inasmuch as these are pieces composed by no literary men, but by illiterate peasants. Most of these Dohras are sung in the village square when the humble husbandmen have sown their crops, or await the burst of monsoon rains to give life to their parched fields: they are thus nature in the nude, and consequently steeped in that simple sweetness which is rustic but not vulgar. Unfortunately, historical data regarding the authors of most of them are lacking. They, in any case, are not modern.

'Tis Sawun; mark—the river flows
With rippling eddies to the sea;
The slender, jasmine closer grows,
And clings about its wedded tree.

The lightning wantons with the rain,
And brighter seems to gleam around;
The peacock woos in jocund strain,
While laughing earth returns the sound.

'Tis Sawun, love!—'twixt man and wife
Let no sad parting moment be;
Who journies now? what gain or strife
In Sawun tears my love from me.

A husband preparing to go a journey, is dissuaded from it by his wife; who tells him that it is now the month of Sawun, when all the works of Nature rejoice, and indulge in connubial joys. The Hindu poets not only feign the various and beautiful creepers that adorn their groves to be wedded to the more robust trees, but with the latitude of Orientalists, assign the sea as a husband to the rivers; and the lightning, which in Sawun, when the rainy season has completely set in, is very frequent, as a consort to the rain. That month falls about the middle of July, and in the reanimation of vegetable life, almost suspended by the preceding heats, presents to the delighted senses all the natural phenomena of the spring of Europe.

The lively drum is heard around;
The tambourine and cymbals sound:
I in the flames of absence burn,
And languish for my love's return.

The women all around me sing,
And own th' inspiring joys of spring:
While I, from darts of ruthless love,
Never-ending torments prove.

The amorus Kokil strains his throat,
And pours his plaintive pleasing note;
My breast responsive heaves with grief,
Hopeless and reckless of relief.

When he again shall glad my hours,
Then, girl, I'll take thy blooming flowers;
But now my love is far away,
Where should I place thy Busunt gay?

The pangs of absence are sung in this little poem by a woman, who observes the general joy diffused around her, upon the approach of the Busunt or Spring.

If other voice than his was near,
It seemed a worm within my ear:
He went.—I heard the dreadful sound;
Yet both my ears unhurt I found.

Hid by my veil, my eyes have burned:—
Yet weeks past on;—nor he returned.
Then, heart, no more on love rely;
Beat on, and Death himself defy.

A young girl so intoxicated with a first passion as to suppose that she could not survive a separation from her lover, finds, after he had quitted the village for some weeks, that her ears still served her to hear with, though they no longer received the soft sounds of his voice; and her eyes for all the purposes of vision, though no more impressed with the image of her beloved. In the above stanzas she expresses her astonishment at all this, and very wisely determines never again to involve herself in so fleeting and troublesome a passion.

In the Periodicals

Bungei Shunju, Vol. 20, No. 6, June, 1942 (in Japanese). Publishers, the Bungei Shunju-sha, Tokyo. Price 50 sen. Feature articles: A Study on Economic Policy, the Way for Loyalty, Highlights of a Round-Table Conference on Reconsideration and Self-Consciousness as the Imperial Subject, Japanese View Toward Death and Life, and A Diary of the Fighting Front at Bataan.

Kokusai Keizai, Vol. 23, No. 21 dated May 23, 1942 (in Japanese). Publishers, the Domei Tsushin-sha, Tokyo. Price 30 sen. The leading articles: the Navy Day, the Imperial Rule Assistance Politics and the Imperial Rule Assistance Association, the Position of France, the Characteristics of the Production Expansion Plans, the Present Phase of Wartime Labor Problem, Gandhi and Nehru, and the Recent Condition of Shonan Port.

Kokusai Pamphlet Tsushin, No. 1,406 dated May 26, 1942 (in Japanese). Publishers, the Times Shuppan-sha, Tokyo. Price 35 sen. Contents: War and Canada's Position, and Economic Status of Turkey.

TOKO FUJITA FURIOUSLY FOUGHT AGAINST TOKUGAWA SHOGUNATE

Great Leader Was Infuriated at Manner in Which Regime Conducted Affairs of State

The time was the first half of the 19th century.

Two men were seen together often in Mito, one a rather thin man with a stern expression on his face, the other whose expression fully reflected the wisdom of a statesman. They were Toko Fujita and Nariaki Tokugawa, Lord of the Mito clan.

Fujita was the son of Yukoku Fujita; a staunch loyalist, scholar and counselor of Lord Nariaki. As such he was befriended by many feudal lords and looked up to by many men who later were to clear the rubbles of the crumbling Shogun government from the political avenue and pave the way for the advent of the Meiji Restoration.

When Toko was as yet a young man, Japan was already confronted with the grave situation at home and abroad. The Western nations were slowly and with design encroaching upon East Asia, the continent of Asia offering them a potential market in which to dump their surplus commodities and discareded habiliments of western civilization. The Tokugawa Shogunate was at this time suffering from an acute financial difficulty.

Lord Nariaki, who was a man of courage and progressive spirit, was very much interested in politics, education, religion and national defense. He appointed Toko Fujita, who was then 25, governor of Yatabe county in the Mito clan to carry out the administrative reform of the county according to his plan. While an incumbent in this position, Toko proved himself an able administrator, prohibiting luxury, encouraging thrift and industriousness, rescuing the poor farmers from the helpless position of financial difficulty and dismissing corrupt officials as part of a social and political reform. After about one year of service, he was shifted from county to county in the same capacity until he was appointed in May, 1832, to live at the mansion of Lord Nariaki in Yedo as his attendant.

Disgusted With Subordinates

Fujita was a man of caliber and ambition and was not satisfied with the position of county administrator. At the same time, he was disgusted with many conservative officials under him, who constantly hindered him in carrying out his progressive administrative policy. Under the circumstances, he ceased to attend to his duties on the pretext that he was ill. He believed that if he remained in such a position for long, it would simply ruin his character. Lord Nariaki, who knew well of the personality and character of Fujita, was perfectly aware of his discontent and appointed him to the position of personal attendant.

The personal attendant's work consisted in taking care of his master's clothes and so forth and it was apparent that the position was not becoming to a man like Toko, but Nariaki had his own ideas about it. One day, he summoned Fujita to his room and explained that he appointed him as his personal attendant not because he wanted him to look after his clothes but because he wanted him to be his personal adviser. He ordered Toko to make an investigation of Shintoism and clarify its fundamental spirit.

Since that time, Fujita often had opportunity to meet prominent persons and discussed current topics and was allowed to be present in the room in which his master held banquets in honor of his guests. Whenever he attended such a function, Toko ably played a part of go-between for the cultivation of friendship between his master and his guests. Fujita, who shared his master's enthusiasm for social and political reform, apparently believed that the part he was playing would bear fruit some day when his master was ready to carry out his reform policy.

Reform Urged

Lord Nariaki subscribed to Fujita's view and wanted to effect a fundamental political reform, but the members of the Shogun's cabinet were all hidebound conservatives and consistently ignored his view. As he realized this, he undertook a thorough reform in his own Mito clan to set an example to the other feudal lords.

The project was a serious task, requiring various preparations. In 1837, Fujita started his activities for the establishment of a new school as one of the important preparations. According to his view, the existing educational system was too much influenced by the Chinese trend of thought, which ignored the Japanese spirit. From this consideration, he sought to formulate the Japanese method of education by combining the outstanding features of Confucianism and Shintoism. In the following year, he made a 10-year plan for a reform of the agricultural industry, which was a far more difficult undertaking than the educational reform.

The reform policy was thus carried out steadily and consistently with great efficiency. In 1840, the Lord of Mito held a military maneuver on a large scale. As the result of many years' hardship and difficulty, the Mito clan succeeded in manufacturing many guns to contribute to national defense. As the preliminary measure for the establishment of the new school on a definite basis, an educational institution was established in the same year. In 1842, Mito also effected a thorough reform in military administration along the Western line, and on the following year, the Western medical science department was established in the educational institution.

As many such innovations were rapidly being adopted, the other clans began to look up to the Mito clan as the spearhead of progress. At the same time, it became known that such a progress was possible in Mito only because Toko Fujita was behind lord Nariaki.

The members of the Shogun's Cabinet, who were all incorrigible conservatives, were chagrined by these progressive measures and conspired to block Toko and Nariaki's reform activities. As the result, the two finally fell victim to slander. The Cabinet members declared that they were in possession of indisputable evidence that Lord Nariaki and his lieutenant harbored a subversive design against the Shogunate. It was because of this slander that the two men were confined to their residences for five years. At that time, Toko was 39 years of age.

In 1849, however, they were finally freed, thus enabling them to resume their previous reform work. As the result, Fujita became all the more an object of admiration among the thinking class and the people who sought his acquaintanceship rapidly increased in number. Among them were Lord Yodo Yamauchi of Tosa, Takamori Saigo, Shonan Yokoi, Shoin Yoshida, Shozan Sakuma and many scholars and thinkers of his time.

Enjoyed Great Reputation

When Fujita was called upon by Takamori Saigo, he was in the prime of manhood, being 49 years of age, enjoying a great reputation and influence as scholar and statesman. Saigo, who was a great admirer of Toko, was 27 years old when he met him for the first time. Fujita was glad to receive the young man for an interview. On this occasion, Saigo said: "Japan is confronted with a very grave situation at home and abroad. I wish that you would enlighten me, telling me what I should think and do to cope with this situation."

The scholar told the young man his view on the gravity of the situation and finally said: "The new age has come at last when a young man like you must be active and accomplish much for the interest of the nation." Young Saigo was very deeply impressed by the exhortation of the eminent scholar, whom he admired so much. As he was about to take leave for home, Fujita came to the front part of the house to see him off and made a remark in an off-hand way, saying: "You should read more books."

This straightforward but kindly advice by Toko had a mysterious power upon the young man. Saigo turned around and requested Toko to return with him to the room in which he had been listening to the scholar. When they re-entered the room, Saigo courteously bowed before Toko and said: "From this time on, I should like to have the honor of calling you my teacher as I am greatly indebted to you." To this, Fujita responded: "I am unworthy of being your instructor but you may call me that if you desire." Since that time, young Saigo occasionally visited Fujita with his friends.

Fujita's interview with Lord Yodo Yamauchi of the Tosa clan was a memorable one. Lord Yamauchi was greatly interested in Fujita and when the latter came to Yedo he dispatched his highest retainer to the home of Fujita, courteously inviting him to a banquet, but the latter declined regretting that he was too busy. But Yamauchi was not to be disappointed by this. On another occasion, he extended an invitation again under an arrangement which the scholar could not refuse.

Acknowledged Superiority

Lord Yamauchi was delighted when Fujita accepted his invitation to a banquet. The lord of Tosa was a proud man and hardly ever praised others, but he seemed to have acknowledged Fujita as his superior. The two men were very fond of sake and they exchanged their views on current topics over the sake cup. During the course of conversation, Yamauchi said to Toko: "Under the present condition of the country, what is the most appropriate and enduring thing that we can do for the country?"

Fujita, who by this time was well under the influence of sake, inadvertently let loose a remark of serious import, declaring: "The best thing that a clan lord may do in the face of the present situation is rebellion against the Shogun. If my lord Nariaki Tokugawa were not a relative of the Shogun—but I am sorry that he is."

As he said this, Fujita laughed heartily, but his remark was a thunderbolt. Yamauchi, who pretended not to have been disturbed by it, simply and lightly said in a nonchalant fashion: "Sensei (teacher), you are joking under the influence of sake." But he was quite aware that Fujita's utterances would constitute no small offense against the Shogun and positively prohibited his retainers who were present in the room from ever mentioning a word concerning the conversation. Lord Yamauchi and Fujita became friends and met each other occasionally. Under such circumstances, it was only natural that the loyalists trend of thought began to creep into the Tosa clan, of which Yodo Yamauchi was the lord.

As time went on, Toko Fujita's fame increased. He was one of the most influential men of the time with many distinguished persons in the country flocking to him. It was simply a matter of course, therefore, that the political center of Japan toward the end of the Shogun regime should have shifted to Mito.